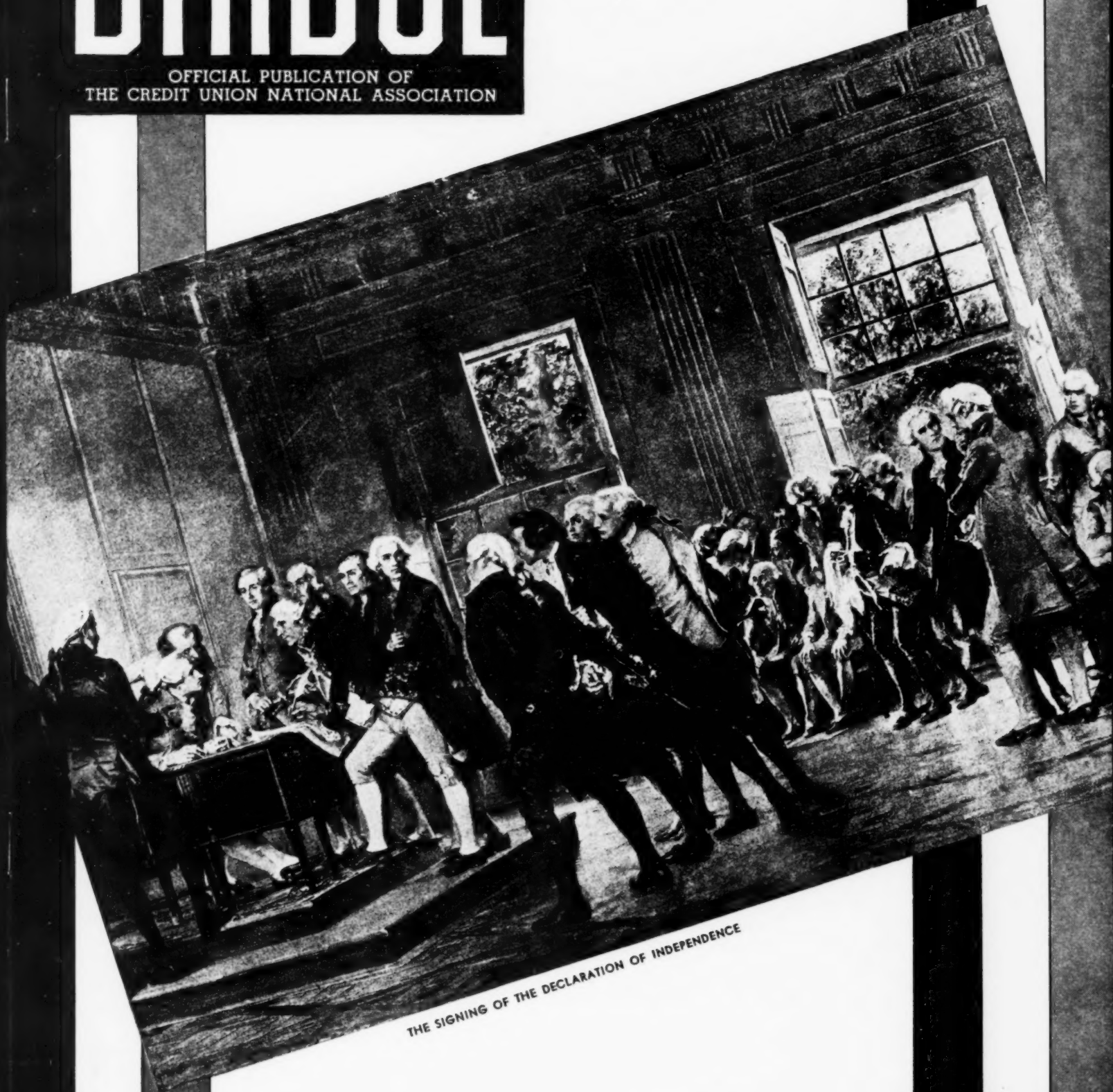


# THE BRIDGE

OFFICIAL PUBLICATION OF  
THE CREDIT UNION NATIONAL ASSOCIATION

JULY, 1940

VOL. 5, NO. 5



THE SIGNING OF THE DECLARATION OF INDEPENDENCE

108-42-1

## THE WAY TO ECONOMIC BETTERMENT

# The BRIDGE

JULY, 1940

Vol. 5, No. 4

C U N A

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## THE WAY TO ECONOMIC BETTERMENT

THOMAS W. DOIG and JAMES W. BROWN, Contributing Editors

## OUR PRECIOUS INHERITANCE

(2,500,000 Americans are Credit Union members)

**F**AITH, not force, shall survive! With the passing of each day we are realizing, as never before, how precious is our heritage. Our forefathers fought, and died, that the people of this nation should have "liberty," "security," and all those things to which a free people are justly entitled. Briefly, these are the foundation of the American home, and family, which in turn have made our nation great and humane. This country and its principles shall endure! We shall see to that!

The heart of the American people aches for those thousands of innocent victims of the catastrophe across the sea. Would that a miracle quickly bring them peace! May America's bulwark, our "homes" and "heritage" be equal to what the future unfolds. *We face it with confidence and high courage.*

### To quote Stanley P. Davies:

"Our great concern today is for democracy. In it we have put faith and hope: faith in the ability of men to govern themselves justly and wisely; hope for the fulfillment of that dream of mankind—the liberation of the individual. We believe in democracy because it embodies the idea and the principle that the state exists for the individual, not the individual for the state. . . .

"The foundation of democracy is in the family."

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**A MONTHLY MAGAZINE DEVOTED TO THE CREDIT UNION MOVEMENT**

# Filene House Campaign

IDEAS PRODUCING CONTRIBUTIONS

KENTUCKY OUT IN FRONT

By CLAUDE E. CLARKE, Chairman National Committee



CLAUDE E. CLARKE

**Y**OU'VE HEARD the old saying, "Father works from sun to sun, but mother's work is never done." Your National Filene Memorial Committee is just like mother. Our work is never done, or at least it won't be until Filene House is erected on that beautiful site our National Association has acquired in Madison, Wisconsin.

Though the vacation season is here, our campaign isn't on vacation. In fact, after the very important action taken by our National Board at our last meeting, in voting to acquire the Malt House site and in voting to authorize the erection of a unit of Filene House when \$150,000.00 is in hand, our whole undertaking has gained greatly increased support and interest.

## Nearing the \$100,000 Mark

**T**HIS has been demonstrated both by statements made in letters and by personal contacts, and by money received in contributions. As of May 31, 1940 our treasurer, Charles G. Hyland, reports that we had on hand \$53,064. This means that we have secured in contributions a total of \$59,394. This, together with the money raised by the Madison credit union chapter for the purchase of the site, amounting to \$16,000, makes a total of \$75,394. Hence, we are well on our way to securing our first \$100,000.00. This should give everyone assurance of the complete success of the campaign.

Henry Stricker, Jr., in a recent letter, states that his own credit union, the Wekearnyan Federal Credit Union, has secured over \$500.00 in contributions, and the gifts are still coming in. This was handled entirely by mail, the members authorizing a deduction from their share account. This is a fine accomplishment, and this same method might well be followed by other credit unions. It is significant that the Park District Credit Union, of Chicago, used substantially this same plan, and likewise secured over \$500.00. It is simply shows that personal contributions can be secured and that credit unions can raise a large amount in this way, if the members are given the facts about the campaign. While other ways of securing funds have been and will be used, there can be no doubt that the plan whereby the individual member makes his gift, thereby registering his support of our national movement and his appreciation for the life and work of Edward A. Filene, our Founder, benefits him and builds up his own credit union. As a good example of the value of this plan of personal contributions, we would cite again the experience of the Hillsborough County Teachers Credit Union, of Tampa, Florida, mentioned in the May issue of the BRIDGE. A recent letter from Henry Claywell, treasurer of this credit union, states they

have secured \$465.00 in pledges and expect to secure their goal of \$500.00 very soon.

## Membership Insignia Plates

**I**N the last issue of the BRIDGE, mention was made of the plan approved by the National Directors for the sale of an automobile plate, indicating that the owner of the car was a member of a credit union, affiliated with a state league and with CUNA. Everyone recognizes the need for some means for enabling credit union members to identify each other. It is believed this plate will do much to help credit union members, as they drive about, to meet other members, and that, in this way, our people will become better acquainted and will develop a feeling of being united, as fellow members, in a great movement for human welfare. We are also certain that credit union members throughout the country will be glad to purchase and exhibit an auto plate of this type. Hence, a large number of them should be sold and a substantial amount of revenue received for the campaign.

The following is a design of this plate:



It is the plan to sell these plates on consignment to state leagues. They would, in turn, distribute them among the credit unions, as requested. They would be sold by the credit unions to their members at a price which would produce a profit for the campaign. The details of the plan are being worked out, and will be given to the state chairmen and the credit unions very shortly.

## Filene Memorial Stamps

**O**UR Committee is also having prepared a Filene Memorial stamp which can be sold by credit unions in the same way as the New York league is now doing. A

design of the stamp, recently received, is most attractive. It contains a fine reproduction of the picture of Mr. Filene, and it is hoped we can arrange to have the name of the state on it, also, if that is desired. These stamps would sell for 10c each, and the aim would be to have every member purchase at least one and as many more as possible, ten making a total contribution of \$1.00. All the details of this plan will be worked out shortly, so that we can make definite announcement through the BRIDGE and league publications.

## Movie Film

**I**N order to help local chapters in publicizing the campaign, a movie film will be prepared for use at chapter meetings. This will show the Malt House site and other views thereabout, also pictures of the model exhibited at the last meeting of our National Board, and other scenes and information of interest to credit union members throughout the country.

To many people this campaign has lacked concreteness, and some have withheld pledging until they knew more about it and were sure we were actually going to do something. The action of our National Board, previously referred to, has answered many of these questions, and has given definite assurance about several things, such as our staying in Madison, the location of Filene House, and the possibility of getting started on the erection of the building in the not distant future. The showing of this film will be very entertaining, and is bound to build up support for the campaign, both on the part of those who have contributed as well as those who will be making their gifts. More definite announcement will be made about this in the near future.

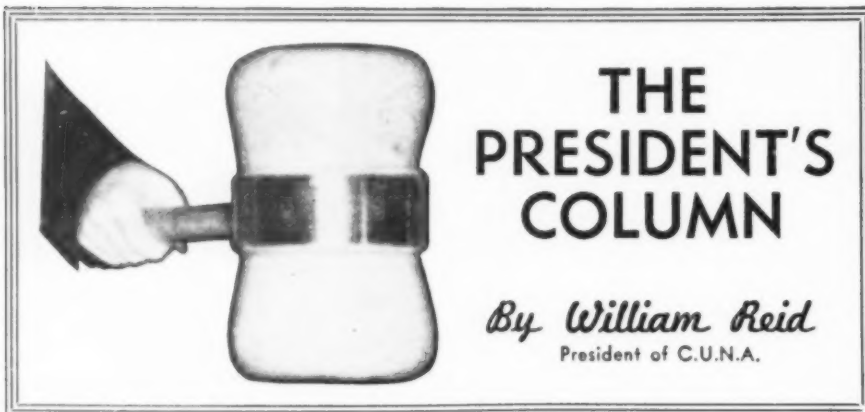
## FILENE MEMORIAL FUND

— State Record of Contributions —  
(May 31, 1940)

STATE	QUOTA	CREDIT UNIONS CONTRIBUTING	AMOUNT RECEIVED	PERCENTAGE
Alabama	2,500	7	\$ 374.	14.9%
Arizona	200	2	46.	23%
Arkansas	500	—	—	—
California	13,000	43	1,020.	8%
Colorado	3,000	20	761.	25%
Connecticut	4,000	19	665.	16%
Delaware	150	—	—	—
D. C.	4,000	3	176.	4.4%
Florida	4,500	41	1,473.	32.7%
Georgia	4,500	19	905.	20.1%
Hawaii	1,500	4	77.	5.1%
Idaho	1,500	2	30.	2%
Illinois	21,000	169	10,200.	48.5%
Indiana	8,500	31	1,364.	16%
Iowa	8,500	2	32.	0.3%
Kansas	2,500	31	1,371.	54.8%
Kentucky	3,000	36	2,148.	81.6%
Louisiana	2,500	16	380.	15%
Maine	400	7	175.	43.7%
Maryland	1,500	17	964.	64.2%
Massachusetts	12,000	22	757.	6.3%
Michigan	15,000	39	8,727.	58%
Minnesota	11,000	19	4,479.	40.7%
Mississippi	250	4	72.	28.8%
Missouri	11,000	45	2,169.	19.7%
Montana	250	3	36.	14%
Nebraska	1,500	5	81.	5.4%
Nevada	50	1	12.	24%
New Hampshire	250	—	—	—
New Jersey	5,000	46	1,657.	33%
New Mexico	200	—	—	—
New York	21,000	8	1,411.	6.7%
North Carolina	4,500	9	462.	10%
North Dakota	600	8	114.	19%
Ohio	19,000	161	8,727.	46%
Oklahoma	2,500	7	122.	4.8%
Oregon	1,000	7	242.	24%
Pennsylvania	15,000	51	2,157.	14.3%
Rhode Island	1,500	2	17.	1.1%
South Carolina	400	4	123.	30.7%
South Dakota	200	2	20.	10%
Tennessee	2,750	14	369.	13.4%
Texas	9,000	15	397.	4.1%
Utah	1,100	5	128.	11.6%
Vermont	50	1	12.	24%
Virginia	3,000	15	808.	27%
Washington	4,500	14	340.	7.5%
West Virginia	750	8	353.	47%
Wisconsin	17,500	93	2,391.	13.4%
Wyoming	200	(Individual Contr.)	5.	2.5%
Canada	—	7	671.	—
Totals	—	—	1,075.	—

(Included in this total of \$59,493 are gifts from 17,145 individual credit union members, totaling \$14,572.)





## THE PRESIDENT'S COLUMN

*By William Reid*  
President of C.U.N.A.



Wm. Reid

**T**HE AMERICAN INVESTORS UNION, a non-profit organization incorporated under the laws of the State of New York, issues a monthly publication called "Your Investments." This publication indicates that it is for the protection of the American investing public and in the February issue under the heading "How Safe Are Your Savings" discusses Federal Savings and Loan Associations, Mutual Savings Banks, U. S. Savings Bonds, U. S. Government Bonds, and Postal Savings.

Many of our credit unions have reached the stage where money is on hand that apparently cannot be loaned out to members and prudent management dictates that at least part of this surplus cash should be invested in securities. I believe some credit unions have already invested considerable money in Federal Savings and Loan Association securities and the chapter devoted to Federal Savings and Loan Associations in the publication referred to hereinabove appears to be particularly timely.

"Your Investments" gives several illustrations of advertising material with respect to Federal Savings and Loan Association organizations and in commenting in connection therewith states:

"In the opinion of the American Investors Union, the claims are grossly exaggerated. When such advertising matter is prepared and distributed by an agency of the Government, from which the investor has been taught to expect complete candor, it becomes doubly objectionable.

"In the first place the insurance is by a separately incorporated agency of the Government—The Federal Savings and Loan Insurance Corporation—which is vastly different from a guarantee by the Government itself, or by Congress. On the one hand you are dealing with the limited resources of a single corporation created with limited capital; on the other, with the almost unlimited resources of the U. S. Government. In the 2,189 insured Associations, there is total private repurchasable capital aggregating \$1,769,000,000. The assets of the Federal Savings and Loan Insurance Corporation, the insurer, are \$121,981,000. There is, therefore, a ratio of protection on the part of the insuring Corporation of 6.89% against possible loss.

"This small ratio of protection is im-

portant to bear in mind in view of the nature of the investments made by savings and loan associations. These investments are heavily concentrated in real estate, largely home mortgages. Home mortgages in general may be a very good investment. But they have gone bad before—as anyone familiar with the record of building and loan associations in certain sections of the country can testify. Savings and Loan Associations not only concentrate in home mortgages, but often concentrate on homes in a single community. If that goes bad, the Association may be in difficulty."

**T**HE article then goes on to discuss the balance sheet of a Savings and Loan Association with assets in excess of \$2,300,000 and while they indicate that they do not know for a certainty that it is a typical example, they do say their analysis may help you to examine other Savings and Loan Associations. Further that mortgage loans and real estate amount to 95.5% of the assets whereas such investments in savings banks in New York State have only 54.9% of their assets in mortgages and real estate. And that a loan was obtained from the Federal Home Loan Bank of New York amounting to \$495,833.27, which was secured by a pledge of \$991,666 of the Association's assets, which has the effect of reducing the primary security of the members.

They further direct attention to the Association's surplus is only 4.2% of the deposits whereas mutual savings banks average bank's surplus is 12.7% and the larger surplus is existent despite the fact that almost half of the assets of the average mutual savings bank is in cash and marketable securities.

**A**MONG other things, the article points out that there is a good deal of misunderstanding with respect to the so-called Federal Savings and Loan Association insurance and many people seem to believe because of advertising material that the insurance is F.D.I.C. The article tells about an individual who is seeking information in connection with the insurance, upon asking an official of a Federal Savings and Loan Association with respect thereto, was told that it was not the same as the F.D.I.C., that "it guarantees up to \$5,000, but instead of being paid off in cash, you get some cash and some bonds." In response to a request for further details, the inquirer was shown an extract from the law which referred to the fact that in the event of default and cash was

wanted, it was possible to obtain 10% of the account in cash, 45% in non-interest bearing debentures payable in one year and 45% in three-year non-interest bearing debentures.

**I**t is impossible within the limits of this column to discuss all the information given in various articles contained in the February issue of "Your Investments." The publication is well worth reading and reading carefully by those who have the responsibility of investing credit union funds. The magazine costs 50c for a single copy and if not available in your locality may be obtained from Cuna Educational Service, Madison, Wisconsin.

**I**NOTE that John T. Flynn is listed among the Board of Directors. He has a national reputation as a financial writer. I further note that among the sponsors is Evans Clark, Executive Director of Twentieth Century Fund, Ned H. Dearborn, Dean of the Division of General Education of New York University, Milton Handler, Professor of Law at Columbia University, Herluf V. Olsen, Dean of Amos Tuck School at Dartmouth College, and several other writers and professors.

This publication would seem to fill a long felt need and should perform a real service to the investing public.

### HOW A CREDIT UNION OPERATES

There are many reasons why the credit union can care adequately for the credit problems of its own members. To begin with, the credit union is interested in two matters which do not interest the private money lender at all.

The purpose of the loan is important; the credit union law limits the character of the loan; it must be for a "provident purpose." That is—it must promise to be a real benefit to the borrower. Further, the credit union is interested exclusively in the member. Why does he have to borrow? How can he be so built up economically that he will not have to borrow again?

An analysis of a recent book "Ten Thousand Small Loans," which book is a study of loans made by private lenders, shows that 76 per cent of them were renewal loans. The private lender often is tempted to keep the borrower in debt so long as he will pay the large interest rate required of him.

The credit union, a coöperative society, interested exclusively in its own members and in their welfare, seeks rather the constructive rehabilitation of the borrowing member.

Further, the credit committee is close enough to the borrowing member to be able to make an accurate analysis of his credit requirements and to understand intelligently his credit limitations.—EDWARD A. FILENE.

# Experiences of Credit Union During Plant Shutdown

Related by PETE EITREIM, President, Shelton Rayonier Federal C. U.

**D**IRECTOR of Publicity Hugh C. Hickey, of the Washington Credit Union League, felt that the experiences of the Shelton Rayonier Federal Credit Union at Shelton, Washington, would not only make interesting reading, but would be of much value to the credit union movement for persons interested to learn about the solidity of one credit union which grew stronger, if possible, following a four month shutdown of the plant within which the credit union members were employed.

Board of Directors, 1938; Shelton (Wash.) Rayonier Federal Credit Union



Left to Right, Standing: George Whittingham, V. P.; Arthur Jackson and Chas. Norris, Directors. Sitting: Pete Eitreim, Pres., and Harry Carlon, Treas.

## THE STORY

**T**HIS credit union received its first permit to operate on November 12, 1935, and on December 31, 1937, its assets were \$19,287.64, this being the day just before the mill closed down. In order not to lose any of the import of the essential facts of this unique experience, we quote the letter which Mr. Hickey received, dated May 3, 1938, from President Pete Eitreim, of this credit union:

"The Shelton plant of Rayonier Incorporated (the pulp mill in which our credit union is located) has been closed down for several months, or since the first of the year. The shutdown came without warning, and naturally caught the credit union and its members with very little cash on hand. We directors found ourselves with the responsibility of excusing borrowers from making loan payments, while at the same time meeting withdrawals and otherwise taking care of the credit needs of the shareholders.

"Up to the present time we have come through with flying colors. We borrowed \$1,000.00 from the local bank and added this sum to the cash on hand, which enabled us to pay the needy share-holders 40% of their share holdings. This same bank has cooperated with us further. Many of our members have pledged their credit union shares as security on loans at the bank, the amount of the loans in numerous cases greatly exceeding the bor-

rowers' share holdings. The banker has required only that these borrowers be recommended to him by our credit union treasurer.

"Many other share-holders have assigned their shares to a local merchant as security for credit in the purchase of food for their families.

"We directors know, and many of our members freely admit, that this shutdown would have been a terrible experience without the aid of our credit union. They also admit that were it not for our system of payroll deductions, they never would have had a savings account to help them through an emergency. The mill resumed operations yesterday, and we hope it will operate long enough to again place the members on a sound financial footing.

"The credit union still has \$3,000.00 in ready cash, and will have more after our next pay day. It also has \$15,000 in loans outstanding. The superintendents, foremen, and other salaried employees of Rayonier Incorporated have continued to make regular payments on shares during the shutdown. There is no lack of confidence in our credit union.

"I almost forgot to tell you that some of the merchants here in Shelton have long followed the practice of giving discounts of 10% for cash to all members of the credit union, regardless of whether they spent their own money or money that had been borrowed from the credit union.

"Our credit union has loaned about \$45,000 since it was organized in October 1935, and has been a source of great pride to the management of Rayonier Incorporated and its employees, to the business men of Shelton, and especially to we directors who were active in its organization and who have held office ever since."

## MEMBERS ARE LOYAL

**I**N ADDITION to the above, the assets of this credit union April 30, 1938, just a few days before the mill opened, were \$16,597.11, and we are informed that the credit union did not permanently lose a single member during the months of unemployment. A few members found it necessary to withdraw all their savings, but upon returning to work, every member started saving again.

## FAITH REWARDED

**Q**UOTING President Eitreim as of April this year, he says, "In fact, all the employees of the company seem to have reached the conclusion since our experience that their best protection in times of difficulty is to be found in their credit union." As evidence of this, their financial report of last February shows assets of \$23,831.00, and 416 members.

## BETWEEN YOU AND ME

Hello Folks:

Following his address at the annual meeting of the North Carolina Credit Union League in Charlotte, early this year, Dr. Julian Miller, editor of the "Charlotte Observer," carried an editorial entitled "Who Are The Capitalists?". This newspaper has the largest circulation of any in the Carolinas. The editorial is over a column in length; we quote but a few excerpts:

"The question is often recurring. Who are the capitalistic interests of this country, what does it take to become a capitalist, and what is capitalism?"

"The issue is suggested anew by the simple statistics brought out at the convention here of the North Carolina Credit Union League that there are 137 of these co-operative savings and loan societies in this State, with a membership of 23,000 and with an aggregate of capital assets of \$1,750,000.

"Often capital is referred to as a remote force or organization of evil, operating for sinister designs, in the hands of a few malevolent individuals, who operate our economic system in America solely for their own enrichment and enlargement of wealth and power, crushing the masses of us under the wheels of its juggernaut.

"But capital itself is nothing remote, set afar off by itself and functioning for and of itself.

"What is capital?"

"Capital is the labor and the earnings and the savings of the farmer and the clerk; of the stenographer and the boot-black; of the banker and the tradesman; of the doctor and the housekeeper; of the school teacher and the scholar; of the artist and the organ grinder; of all who work and save and invest."

"This is a country that has not only been created by virtue of the system of capitalism, but by the presence and energies and earnings and savings of hundreds of thousands who might otherwise be named the masses of our people.

"Capital, therefore, is merely the accumulations of all the people, their savings which in turn are the product of their muscles and their minds.

"These 23,000 credit union members in North Carolina are capitalists along with a vast army of American men, women and children, 44,649,914 altogether, who are savings depositors."

"Let's have done with allowing any of the varied deceivers who are blatantly abroad in the land today to delude us into thinking that capital is no more than a dollar sign.

"Or that capitalists are only the big financiers and industrialists, the tycoons, the economic royalists and the bloated plutocrats.

"Capital is no more than the enterprise, the resourcefulness, the initiative, and the thrift of all the men, women and children in this country who own any sort of material or physical possessions.

"This is the composite of what all of us have come to know and to appreciate as the American system of free enterprise."

"Til next month.

R. G. L.

# What About It?

Readers are invited to Submit Questions on any Credit Union Problems and also to give us your frank reaction on the answers, whether you agree or disagree with the Editor.

By TOM DOIG



Tom Doig

## MEMBERSHIP REQUIREMENTS

**QUESTION NO. 1.** What is essential to become a credit union member? Is the entry fee sufficient?

**ANSWER:** Both the credit union laws and by-laws provide that in order to become a member of a credit union it is necessary that the prospective member shall make written application for membership and shall pay the entrance fee which is usually fixed at twenty-five cents and the first installment of twenty-five cents on a share. After this fifty cents has been paid he is usually considered a member.

## ONE SHARE PAID IN FULL?

**QUESTION NO. 2.** Is there any rule making it compulsory for one to have at least one fully paid share before he is considered a member?

**ANSWER:** No. Most laws and by-laws provide that after the entrance fee and the first installment on a share have been paid, the individual is a member of the credit union. There are a few states which provide in the laws that the member may not vote until he has one fully paid share but this is the exception to the rule.

## TO BE A BORROWER?

**QUESTION NO. 3.** Is it understood that to become a borrowing member one must have a share fully paid for? Is this required by law?

**ANSWER:** No. Most credit union laws and by-laws merely provide that a member must pay the entrance fee and the first installment on a share of stock and that thereafter, he is entitled to all the privileges of membership. Occasionally the Board of Directors rule that a member may not borrow unless he has one fully paid share; however, this usually results in the member simply borrowing fifty-five dollars instead of fifty dollars and depositing the five dollars in the share account. This rule does not in any way help in building habits of thrift and is, therefore, of very little value.

## WITHDRAWING FROM SHARE ACCOUNT

**QUESTION NO. 4.** On the share account, would you restrict a member from drawing out or withdrawing to a specified balance? Are there any rules on this other than the thirty or sixty day notice of withdrawal?

**ANSWER:** The credit union is a cooperative society created by its members and operated for their benefit. Therefore, the

member should be permitted to deposit money in the share account and withdraw the money at will. The laws governing credit unions and the by-laws under which they operate provide that in case of emergency the Board of Directors of the credit union may require sixty-days notice of withdrawal of funds from the share account. This provision is made in order to prevent a run on the credit union in difficult financial times, and should not be applied unless there is a real emergency.

## RENDER SERVICE

**QUESTION NO. 5.** How would you treat a member who would purchase a share on pay day and withdraw half of it before the next pay day and continue this practice constantly? This gives the treasurer plenty of extra work and I question whether it is helping the man or not.

**ANSWER:** If the credit union is so small that the treasurer is not paid a salary for acting as treasurer, then the deposit and withdrawal of money in this manner by the member would not cause too much additional work. If, on the other hand, the credit union is large and the treasurer and other clerks are compensated for the work they do in rendering service to the mem-

bers of the credit union, then certainly there should be no criticism of a member who wishes to deposit money at the beginning of the week and withdraws a portion of it before the end of that week.

Let's keep in mind constantly that the credit union is a service organization. At one time banks charged a fee of \$3.00 per month if the balance in the checking account of the individual was less than \$100.00 on daily balance. This worked a hardship on many people who were members of credit unions. In some cases these people discontinued their checking accounts at the bank and each pay day deposited their pay check in the credit union. Then when they wished to send checks in payment of bills, they would come to the credit union and make out a withdrawal slip for each individual item, and the Treasurer of the credit union would write a check or a number of checks as the case might be. The member of the credit union would then turn these checks over and endorse them, making them payable to his creditors, and mail them out. This practically amounted to a cooperative checking account and it saved each member who participated \$3.00 per month. It probably cost the credit union somewhere between 25c and 50c per month per member to handle these accounts but it saved for each member \$3.00 a month and, therefore, was worthwhile for the entire group.

In the cases I refer to, of course, the treasurer and his assistants were compensated by the credit union at an hourly rate for the service which they performed. The credit union is a service organization and we do not yet know the maximum of service which it will eventually render to its members.

## WITHDRAW SHARES OR MAKE LOAN?

**QUESTION NO. 6.** Do you think it a good practice to loan a member money rather than let him withdraw his account? In other words, use his share account as collateral?

**ANSWER:** If a member has money in the credit union and wishes to borrow from the credit union rather than withdraw this money and while borrowing, wishes to use this money as collateral for his loan, then I believe it is good business for the credit union to encourage him to do so. In this way he will retain his savings intact and he will repay his loan, whereas if he withdrew his savings, he might never redeposit them. This matter should never be compulsory, however, as the member has the privilege of withdrawing his shares if he so desires.

## ODE TO A CREDIT UNION

By Irene Tatu

"In union there is strength"  
Is a saying trite but true  
It applies to our great nation  
And it can apply to you.

For atop the county building  
Is a credit union new  
We have loaned to several lawyers  
We'll be glad to help you, too.

There's an easy way of saving  
Just deposit some each week  
In a short time you've a bank roll—  
The security you seek.

You may need a hundred dollars  
For a roof that's sprung a leak  
We can let you have the money  
You just pay back by the week.

Perhaps you've let your taxes ride  
Because of the depression  
If you have good credit  
Do not worry 'bout recession.

Come in and talk it over  
We have money in the banks.  
Be a member—Save and borrow  
And we'll all have cause for thanks.



## What About It?

### EDUCATIONAL COMMITTEE

**QUESTION NO. 7.** The members of our credit union elected an Educational Committee and voted a budget of \$75.00 for the year 1940. Since this work is entirely new to us we would like a ruling on the following question: Is it necessary for the Board of Directors to have to act on each and every expenditure that the committee may deem necessary? Does the Board of Directors have the power since this money was voted by the members? It would seem that this committee could use this money without the approval of the Board.

**ANSWER:** As a matter of routine, I believe that the Board of Directors at their monthly meeting should pass a motion allowing any expenditures made by the Educational Committee during the previous month, but I do believe that the Board of Directors should take this action as a routine action inasmuch as the Educational Committee really has authority from the members to spend this money as they deem best. The Board no longer has any control of the \$75.00 set aside by the members for the expenditures of the Educational Committee.

### REFINANCING BANK LOAN BY C.U.

**QUESTION NO. 8.** I have taken a very definite interest in our organization and the credit union movement in general. I have tried to learn as much as I could from the by-laws and have received much information from the BRIDGE and the Illinois Credit Union News. I read your entire article "What About It?" every month, and find it both interesting and educating.

I wish to ask you a question that perhaps you would not care to publish, so I am enclosing a self-addressed, stamped envelope for your convenience in replying. The question on which I seek information is in regard to investments of credit unions. The Board of Directors agree to borrow a lump sum from a bank. Later a payment is made on the principal, leaving a balance of more than three-quarters of the original sum. My question is—can the treasurer, even though he talked to certain members of the Board privately, increase this loan to any extent without the approval of the Board at a regular or special meeting?

**ANSWER:** Any loan from a bank can be obtained only after favorable action has been taken by the Board of Directors of the Credit Union. If a loan has been received by the Credit Union and part of it paid off, it is really improper for the bank to either extend the term of this loan or to reloan any portion previously repaid without further action by the members of the Board of Directors of the Credit Union. It would be entirely improper for the credit union to request such action by the bank without a resolution first being passed by the Board of Directors in meeting assembled.

### POINT OF VIEW IS SOUND

**QUESTION NO. 9.** I would appreciate your opinion on a matter which would in the future be very enlightening should it arise again in

our organization, as it has several times: Since our by-laws read: (1) Character loans without co-makers may at the discretion of the Credit Committee be allowed up to and including \$100.00. (2) Loans from \$100.01 to and including \$200.00: Naturally require one co-signer and an additional co-signer for each \$100.00, etc.

Now, in accord with the above, are we justified in compelling the new member borrower to obtain a co-signer when he wishes to borrow \$105.25? The \$5.25 goes to cover his or her membership fee and one share, and the new borrower receives a check for only \$100.00. The \$5.25 goes into the Credit Union, without the borrower ever receiving the \$5.25 outright. Therefore, should we or should we not require a co-signer for money the borrower in the above case does not receive, the \$5.25?

The undersigned, in behalf of the borrowers, believes that their burden can be lightened considerably by eliminating a lot of red tape and making it as easy as possible for people in need to obtain what they ask for without going away disappointed in what they seek because of such a little matter as in the above.

**ANSWER:** If your credit union wishes to lend to a new member \$105.25 in order that he may use the \$5.25 to pay the expense of his entrance fee and the cost of one share, this loan may be made without a co-signer as the \$5.00 is deposited on the member's share account and is collateral for the amount in excess of \$100.00 which you are lending him.

### BAD DEBTS. HOW CHARGED?

**QUESTION NO. 10.** We have turned several accounts over to a collection agency which charges 20% as their fee. May this be charged to the borrower? If the credit union absorbs this cost is it charged to the reserve for bad debts or is it an expense?

**ANSWER:** Yes, the borrower may be charged 20% of the unpaid balance of his loan as a collection fee if it becomes necessary to collect through a collection agency or an attorney. This additional collection charge is provided for in the standard note forms used by both state and federal credit unions. If the credit union absorbs this cost it must be charged to expense as only the unpaid balance of the principal sum of an uncollectable loan may be charged to the Reserve Fund.

### Save

It requires courage, patience, and perseverance to accumulate a savings account from the small amounts that the average of us can save regularly. But did you ever stop to think that it CAN be done? Others have. Look at the man on the corner who runs the peanut roaster! There are long periods when he does not make a sale. When business is very dull, you can see him munching a few peanuts himself for lunch. There he stands or sits through infinitely long hours for the nickels that come his way. Yet he makes a living, and saves part of that meager income. Some day he may have a larger business. Likewise, by determination, and maybe much denial, the fruit merchant who began by peddling bananas now owns his store. How would the waiter have become the restaurant owner except by thrift and application to business? And so on, and so on. The only way for us to get ahead later is to save now. Thinking on these things some of us could be awfully ashamed over the way we have made a mess of our saving program.—*N. C. Va. C. U. News.*

\* \* \*

Pity the land whose law destroys  
The reach of Thought, the quest of Truth,  
In the heart of its radiant youth.

—*Kathryn Peck.*

## MEMBERS OF NATIONAL EXECUTIVE COMMITTEE ELECTED MAY, 1940



Back Row, L. to R.: Claywell (Fla.); Hillebrandt (Mo.); Pratt (Penn.); Maynard (R. I.); Moore (Calif.).

Front Row, L. to R.: Schroeder (Ohio); Reid (N. Y.); Bergengren (Wis.) and Weidler (Ky.). Walter Campbell of Indiana was not present.

In a later issue we will tell you more about the newly elected members viz.: Secy. Schroeder; Treas. Weidler and Vice Pres. Campbell.

# FEDERAL SECTION

NEWS CREDIT UNION SECTION, FARM CREDIT ADMINISTRATION

By OTTO WILSON



Otto Wilson

**F**EDERAL CREDIT UNIONS, like those under state charter, are beginning to feel the effects of the changing national and international situation.

One large Federal credit union serving the employees of an eastern aircraft manufacturing company is reported to be adding about one office employee a month to take care of the great volume of new business. Of the thousands of new employees which the company is taking on the credit union enrolls a good proportion as new members. As one feature of the new state of affairs it reports a strong demand for loans.

As the national defense program unfolds it is certain that credit unions will face new responsibilities and find many new opportunities for usefulness. The whole subject, so far as it pertains to Federal credit unions, is being thoughtfully studied in the Section.

## "Ask the Man Who Has One"

**W**HO makes a more convincing advocate of credit unions than the officer of an actually operating and highly successful credit union?

In May we had unusual evidence of the effect of officer interest in credit union organization. No less than 7 of the Federal charters granted during the month were credited to neighboring credit union officials.

In Schenectady, N. Y., Anthony Lenz, treasurer of the Edgewood Community Center FCU, having only four or five jobs already to look after, used part of his spare time to help the employees in two units of the General Electric Company set up Federal credit unions. In Pennsylvania, David Frank of Norristown, J. F. Molloy of Pottsville, and H. H. Eichlin of Easton, all serving as officials of existing credit unions, communicated their enthusiasm to new groups and helped set another Federal credit union on its way. In Ohio, Harry Stanley of Dayton and E. G. Morrison of Cincinnati have new Federal credit unions on their list of happy achievements.

Still another may well be mentioned, as the first Federal charter issued in June went to a credit union which T. Walter McGrath, treasurer of the K. of C. North Broad Street FCU in Philadelphia, is credited with launching.

## \$100 Unsecured Loan Limit

**A**s this is written word comes that Congress has passed a bill amending the Federal credit union act to permit unse-

cured loans up to \$100 instead of \$50, the former limit. The bill now goes to the President.

This action by Congress is in line with general sentiment throughout credit union ranks favoring an increased maximum for such unsecured loans. Officials of the Credit Union Section shared the sentiment, feeling that Federal credit unions could operate more freely and with no undue increase in risk with \$100 maximum instead of \$50.

## From Near and Far

**W**HEN the weather warms up the Credit Union Section brushes off the "Welcome!" sign again and makes sure that it will be easily seen. For summertime is travel time, and a great number of the country's trails lead nowadays to Washington.

That means, happily, that many credit union people whom the staff of the Credit Union Section knows only as names on the bottom of letters materialize into friendly and personable human beings. It is always a delight to have a chat with these out-of-town visitors and not infrequently some matter of first importance in the running of a given credit union can be cleared up.

In one day recently three widely separated sections were represented by visitors to the Credit Union Section's offices. From Minneapolis came R. D. Barta, a director of the Minnesota League of Credit Unions and an officer of the Minneapolis-Honeywell Regulator Credit Union. (He

## TO MY OLD HAT

And thou hast clasped my marble brow,  
And daily sunk still deeper down  
Until thy brim doth hide me now  
From lofty sneer and worldly frown!  
Thou once wert black—who now art brown,  
But what care I for aught of that?  
Thou art thy owner's rightful crown,  
My trusty friend—my ancient hat!

And I must buy another tile,  
To catch the scoffer's quizzing glance,  
With modern crown of pattern vile,  
Distorted brim—just born of France!  
It will not fit me well, perchance;  
E'en you were years before you sat  
In ease my beauty to enhance,  
My trusty friend—my ancient hat!

## L'ENVOI

Ah me! Too much this haunting fear  
Before I give thee to the cat  
I'll wear thee for another year,  
My trusty friend—my ancient hat!

—Anon.

## Federal Jottings

**L**OOKING forward to the sixth anniversary of the signing of the Federal credit union act, on June 26, the Credit Union Section had hopes that it might celebrate by issuing its 4,000th Federal charter. That seems very unlikely now (early in June) as the total at the end of May stood at 3,920 and June ordinarily is not a heavy month. With the normal flow of new charters the 4,000 mark should be reached about the middle of July.

From Baltimore comes a copy of a new publication representing a bit of credit union enterprise which will commend itself to the managements of larger credit unions. It is a 10-page mimeographed handbook for collectors and others in key positions issued by the Social Security Baltimore FCU. Its purpose is to give collectors particularly a store of credit union information which they may pass on to inquiring members as they make their rounds. In a large credit union it is such representatives as these collectors who really inform the members, through regular contact, and it is essential that the collectors themselves shall know the primary facts about the history and functioning of the credit union. The handbook supplies this information in practical readable form, concluding with a most useful interest table.

On the basis of latest available figures it appears that the average share balance of all Federal credit unions now exceeds \$15,000. This is a further sign that Federal credit unions are growing up. They are still many thousand dollars short of the average for state credit unions but they are approaching that mark with large strides. Last year's gain, for example, was about 40 percent. The advance is paralleled by that in average savings per individual member, which at the beginning of this year stood at \$51 and which by this time probably reaches \$55 to \$58. No leveling off in these figures is expected for several more years.

THE BRIDGE—July, 1940



# THE CREDIT UNIONS FACE A CHANGING WORLD ARE EQUAL TO THE TASK

By JAMES W. BROWN

Treasurer, El Segundo (Calif.) Standard Employees C. U.



JAMES W. BROWN

**I** DOUBT if any members of the credit unions have escaped the great wave of emotion that is sweeping the country as we read the war headlines in the newspapers. To credit unions organized for the very purpose of provid-

ent and constructive help, the absolute reckless disregard of human life and property by the invading mechanized forces is appalling.

The world wide percussion of such unparalleled violence will sooner or later affect our organization. We just cannot escape it. No one can make an accurate, complete prediction of just what will take place and it will be impossible to make any exact plans at the present time. But whatever may happen, I believe most of us from now on will be consciously or unconsciously building up the proper morale to weather the storm.

## Group Consciousness the Anchor

**D**URING the past five years under favorable social and economic conditions for employed workers the credit union movement in the United States has grown with amazing speed. Soon we may be under severe fire, forced to face many difficult situations. Whatever comes I do not believe we will become defeatists and pessimists. Our older credit unions did not give up when the depression was at its worst and I believe we can successfully stand the test.

Very likely some of our yardsticks of success will have to be revised. Dividend rates may decline, collections may be slower and losses more frequent. But in spite of all this I believe we will continue to function and give the same help to our members.

Not only are we facing a changing world for the duration of the present war, but the aftermath of such a struggle may result in widespread economical exhaustion and monetary inflation for several years. It may mean many anxious meetings of directors to consider new policies for these changing conditions. It may mean a seeming contradiction of credit union functions by advising borrowers to pay off debts and not take on any new ones. It may mean new types of loans, such as the purchase ahead of food products of the surplus varieties.

If you are sufficiently an optimist (and I am) to believe we shall survive the next ten years, it will be of great interest to read of our activities at that time. We may be obtaining some absolutely new objectives and demonstrating in a greater way than ever before our real service to our members.

## Service, Not Size, Counts

**D**URING the past five years of rapid growth we all more or less have fallen into the American weakness of worshipping size. Invariably when any of us brag about our movement, we will tell our listeners about the biggest credit unions we have. I feel we also should have equal pride in the records of some of our small credit unions operating under difficulties in localities where small loans to the members may be of desperate concern. Maybe before the new era ends we will all emerge a bunch of hungry looking credit unions, stripped of all our fat and nothing left but our ideals. With our changing viewpoint of things we will not be telling of big loans and dividends but of the number of members helped during the tough going of the aftermath of the war. Maybe some of our credit unions, large and small, may have records like the British rear guard in Flanders. All in all with the traditions of the credit union movement, I do not think we will ever be licked and stay licked, but if necessary carry out the injunction in Kipling's poem:

"Watch the things we gave our lives to,  
broken,  
And stoop and build 'em up with worn-out tools."

## What Did We Do Without It?

Every once in a while we wake up, rub our eyes and discover again how helpful the old credit union has been to us. In the past year, for instance, our Credit Union has done these things, just for me!

1. Provided a splendid vacation.
2. Financed my new car.
3. Filled my basement with coal.
4. Gave me a 4% dividend to start the year.
5. Insured every cent of my debts so that if I die my widow will owe nothing.
6. Helped me to save over \$100.00.
7. Helped me to buy a home.
8. Provided payment for hospital and doctor for my little girl.
9. Set me up in business.
10. Enabled me to pay my taxes.
11. Aided my little boy to save \$25.00 for a bicycle.
12. Paid off old accumulated bills and set me on my feet again.
13. Caused me to become acquainted with dozens of other folks who are wage earners, savers, family men just like myself.
14. Relieved my mind of all worry concerning the one thing that causes at least two-thirds of the worry of all mankind, money.

Good old Credit Union! I'm glad you came along and invited me in!—Ray Van Hootegan, treas., Sacred Heart Parish Credit Union, Moline, Ill.

# CREDIT UNION EQUIPMENT

## Credit Union Office

In June we announced an item of equipment now available for small credit unions, a container under combination lock, with a money drawer under lock and key, file boxes for the usual accounting forms, room for all the books and top space enough to constitute a sort of desk. It sells for \$24.39 delivered, *check to accompany order.*

We are trying to get this needed equipment to small credit unions (fifty to 400 members) at net cost, even avoiding most of the bookkeeping involved by making the terms cash with the order. *If interested, investigate!*

## Adding Machines

And how about an ADDING MACHINE? We have been studying the problem of getting a standard make adding machine to the credit union at a minimum price, appreciating how necessary an adding machine is.

We can now help you; *if interested write for particulars.*

## CUNADAX Credit Union Visible Accounting

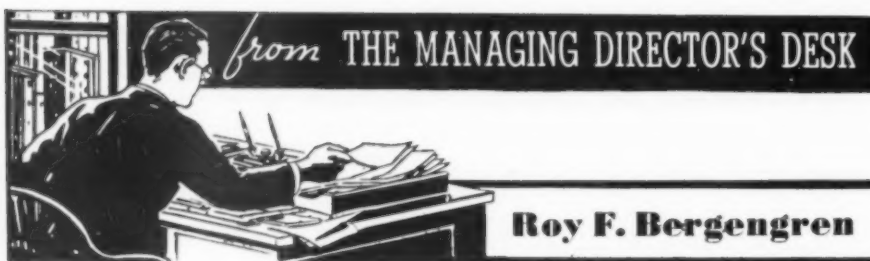
is about ready. Look for the announcement, price list, etc., in the August BRIDGE!

**A Complete Line of Accounting Forms  
and Promotional Material  
Always Available.**

## CUNA SUPPLY COOPERATIVE

Madison

Wisconsin



R. F. BERGENGREN

**I**N JUNE 1924—fourteen years ago, the first issue of the BRIDGE was published. The following is quoted from the first editorial: "There are so many things needed to make possible the next few inches of civilizing progress that one is rash indeed to attempt to isolate a single need as predominant. Our guess is that, whether we interpret the word (cooperation) in terms of backyard neighbors or international relationships—we need clearer spectacles—so that we can see over to the other fellow and he can see over to us; so that we can find out just how the two of us can best get along to make the worthwhile objectives we really have in common, which objectives can only be made by getting along together, without malice and with great mutual charity and understanding; coupled with leadership which will be even more patriotic in times of peace than in time of war. We need MEN—as never before, possibly, in the history of the world—and intelligent cooperation."

This issue of the BRIDGE of fourteen years ago hailed the enactment of the New Jersey Credit Union law, the enactment of the Mississippi law, the organization of the first credit union in Tennessee and other stirring credit union news of the day.

It does not seem further a'gone than yesterday! The crowded years between have passed swiftly because every day has been packed with so much to do that the duration of the day has been inadequate to the work in hand.

**A**t this writing a month has passed since the 1940 meeting. I have been thinking of it in connection with the first BRIDGE editorial. As we look to what is going on in Europe and to our own feverish preparations for war we realize how much more pat to the present day the editorial is.

*If we are to inch along the hard road which leads to a finer and finer civilization we still must learn how fundamental, to the progress we would make, is understanding of our backyard neighbors and closer cooperation of nation with nation.*

We made it self apparent at our recent meeting that we have learned that we can make our worthwhile objectives only as we approach them "without malice, with great mutual charity and understanding." We have come also to an increasing appreciation that the need of the hour is still primarily for men.

Had there been great statesmen in Europe there would have been no war, for truly great statesmen know that today there can be no victory for anyone, no matter how a war may terminate.

In our own organization, which is increasing daily in power and effectiveness, and which, with two and a half million credit union members to serve, must gear itself to be ready to serve a hundred million when the day arrives—we must appreciate the need for men and must develop leadership which will earn its spurs by service. There can be no other gauge by which credit union leaders will be measured; *the measuring stick is service and the reward of inches will be progression in leadership.* At our most recent meeting we began to sense that and it was possibly the most encouraging feature of the entire meeting that we became increasingly conscious of the standard of leadership which the credit union movement demands.

**D**URING the past month we have had our best organization month in four years—with 202 new credit unions reported in; that certainly is significant of the accuracy of Tom Doig's conclusion, as expressed to me recently, that there is a great credit union year ahead. From British Columbia we have a report of a credit union organized among the Skidegate Indians, the first of its kind in North America; from Cliff Skorstad comes a report as to the progress being made in the organization of rural credit unions, a matter of very exceptional importance. Tom tells us of the choice of a Regional Managing Director of the recently created Regional group, composed of Nebraska and Kansas; two other new Regional groups are shaping up.

**C**UNADEX is about ready, a new system of Visible Accounting, prepared for credit union use and to be distributed exclusively through the CUNA Supply Cooperative; you will note in the June BRIDGE the advertisement relative to the new equipment for small credit unions which is proving very popular. The CUNA Supply business is increasing rapidly, necessitating the assignment to it at Raiffeisen House of the only space we had unassigned when we moved to this building.

The CUNA Mutual, with a present total coverage of better than \$66,000,000 and increasing at a rate of more than a million and a half a month in recent months, progresses steadily.

**P**OSSIBLY another outstanding accomplishment of the 1940 meeting was the progress made with the Filene Memorial. In matters of this sort it is, in the beginning, necessary to build courage on probabilities. We had a very popular proposal—that we honor our Founder and at the same time equip the National Association with a building adapted to its efficient use. We

have a great leader for the Memorial in Claude E. Clarke, our second CUNA President.

Two things were self apparent from the beginning: (1) that there was first a vast educational job to do and (2) that we would have to develop technique by experiment. It was also necessary to determine where the building was to be built and to secure a site for it. The 1939 meeting decided the general location by voting to make our permanent headquarters in Madison. The 1940 meeting decided the specific site by accepting the gift of the Madison Chapter of credit unions, made in behalf of the Madison credit union members and the Madison citizens and the City, all of whom had combined to raise \$15,000 for the purchase of the most beautiful site in Madison, with the city purchasing an adjoining strip of land for \$5,000 so that our building will be bounded by a city park. So the matter of the site was settled at the 1940 meeting.

Various plans for raising money for the building have been experimented with and we have approximately \$55,000 in the banks and considerable other sums which have been raised but not yet turned in. The general plan of a \$250,000 project has been voted and, at the 1940 meeting, the possibility of a building built in sections, with the first sections adequate to care for our needs for an appreciable period while the balance of the money was being raised to complete the project, was thoroughly discussed and approved. It will now be possible to start the project when he have in hand \$150,000 in cash and plans are available showing that, for this amount, the first units can be built.

*We are, therefore, making splendid progress.*

We have 8,700 credit unions and two and a half million members with resources of better than two hundred and twenty-five million dollars. Obviously it is not a too difficult undertaking for us to raise \$250,000 for the Memorial.

One of the most important incidents of the meeting was the presentation of Henry Stricker's splendid plan for selling CUNA automobile plates, to be disposed of at a modest individual profit, the profit to go to the Fund. Henry auctioned off a half dozen of them and realized over \$50 for the Fund on the spot! The New York League stamp plan is a good one and will be elaborated. Nap Pelletier's plan of appropriations from undivided earnings at annual meetings was most productive at the recent annual meetings and should be even more productive in 1940-1941. I was looking over the undivided earning totals of credit unions in a single State the other day and found it was well in excess of the total needed for the Filene Memorial.

*So let's clean up the Memorial campaign between now and May 1941 and build in 1941!* It's a practical program; it can be accomplished by the sort of cooperation referred to in the BRIDGE editorial of fourteen years ago.

There is something splendid and vital in this credit union movement; we march and the motion is always forward. *Let's show 'em what we can do with the Memorial.*

# Airways Credit Union Spans Oceans Touches Many Parts of World

By JOHN E. CAMPBELL, Treasurer  
Pan American Pacific Federal Credit Union  
Treasure Island, San Francisco, Calif.

## Far Reaching Services



JOHN E. CAMPBELL

**V**ISUALIZE a credit union serving members from San Francisco to Honolulu, Manila, China, and New Zealand, thousands of miles across the Pacific. Such is the Pan American Pacific Federal Credit Union, with headquarters in San Francisco.

It is one of three credit unions serving employee members in the 63,000 mile Pan American Airways network, which constitutes the largest unit of today's world-wide air mail and air transportation system. The Flying Clippers today link nearly 200 cities in 53 countries and colonies. They join the North, South and Central Americas, the West Indies, and Bahamas. They span the Atlantic, cross the Pacific, serve Alaska, with service three to thirty times faster than ordinary surface service.

There are Pan American Airways credit unions in the Pacific Division at San Francisco, the Eastern Division at Miami, and the Western Division at Brownsville, Texas.

In the Pacific Division, the Pan American Federal Credit Union brings to its members in far-away corners of the world the opportunity of saving, the privilege of borrowing, and a service comparable with that available to members in San Francisco. Members on the other side of the world, thousands of miles from the home base, have reason to be proud of being a part of the credit union. *It is inspiring to see credit union notices and bulletins posted at bases and stations in foreign countries where foreign environment prevails—whether Chinese, Portuguese, Spanish, French, or native.*

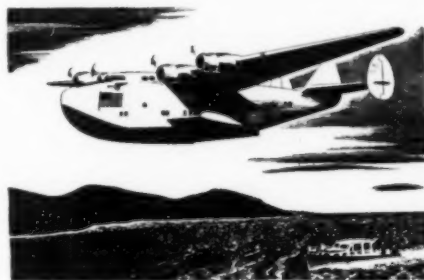
## Distance Annihilated

**I**t is indeed gratifying to see the interest in the credit union manifested by members that have been assigned to foreign duty, and to witness the important part the credit union plays in the lives of these members. Financing a baby in Hong Kong, a new electric refrigerator in Honolulu or Manila, an appendicitis operation in Noumea, New Caledonia, or Auckland, New Zealand, are all in a week's routine of the Treasurer. Honolulu, a distance of 2,400 miles from San Francisco, is but an overnight flight, and Hong Kong and Auckland less than six days away. The expanse of the Pacific is not thought of in terms of miles, but in terms of hours or

days. Thus, it is possible for employee members located outside of the United States to enjoy and participate in credit union membership and resulting benefits thereof.

## Procedure

**I**N promoting widespread membership, representatives have been appointed at each base to handle local credit union business and work under supervision of the Treasurer in San Francisco. The work of these representatives is coordinated by the Chairman of the Educational Committee, and various members of the Board of Directors while on flight duty, thereby establishing uniform methods of procedure and regulation simultaneously throughout the system. Procedure is further simplified by a system of regular salary deductions to cover repayment of loans, and to provide a method of systematic savings for thrifty employees. The adoption of this system, in the case of loans, has proven a boon to the Treasurer, in that it



has eliminated the matter of delinquency, and provided almost complete control of loans, with considerable less bookkeeping and correspondence. All payroll deductions are handled by the Payroll Department in San Francisco, and upon transfer or termination of employees' services, it is necessary for an employee to check out with the credit union.

An additional element of interest is added to the operations of the credit union by having as representatives and committeemen, employees representing the various departments of the company. This has proven very successful in the promotion of new business and has accomplished mutual and enthusiastic interest in the progress of the credit union by all departmental branches of the company.

## Airline Operations

**M**ANY departments are necessary to maintain complete facilities for airline operations at the foreign bases. Ultra

modern radio broadcasting and receiving stations and radio technicians which are constantly in contact with ships at sea, are located at Honolulu, Wake, Guam, Manila and the Philippines, (Portuguese) Macau and (British) Hong Kong. These are all North Pacific Ocean bases. Similar facilities are located at Canton Island, (French) Noumea, New Caledonia and (British) Auckland, New Zealand, all of which are in the South Pacific, more commonly known as the South Seas.

Meteorology weather stations are also a part of station facilities for determining long range weather conditions for the safe operations of the Clipper ships over the vast expanse of the Pacific Ocean. The Maintenance and Operations departments represent the largest departments of the company with all of the hangar repair facilities and supplies, fueling equipment and fuel storage for the Clippers 4,200 gallon capacity gasoline tanks, airport offices and terminals. At most of the stations complete hotel and commissary facilities are provided for the comfort and welfare of the passengers and personnel. This department requires a highly efficient staff of stewards trained in the art of cuisine, symbolic of the superb service for which Pan American is famous. Island physicians and hospital equipment and accommodations represent still another of Pan American services.

Last but not least in importance, Traffic Department offices and representatives are located at all stations and in large cities throughout the world for the handling of inter-airline passenger and express transfers. Much traffic centers at Hong Kong which is the metropolis for air travel, and a connecting point with many of the European airlines. This gateway to the Orient, second busiest seaport in the British Empire, is now the Air Crossroads of Asia. The great globe-girdling airlines from the East and from the West join at Hong Kong. Imperial Airways swings its long, swift service across Asia and Europe to England. This brings the doorway of China within two days of Penang on the Malay peninsula, within seven days of London and it gives its air connection to every important city on the airlines of Australia, India, Asia Minor, Africa and Europe. The China National Aviation Corporation, with which Pan American Airways and the China National Government are associated, makes Hong Kong a stop in its Canton and interior schedules. The Transpacific Clipper service brings Hong Kong within a week by air of every city in the United States, within eleven days of every capital in Latin America.

(Continued on page 164)



## WHY SHOULD A CREDIT UNION JOIN ITS STATE LEAGUE?

THE HISTORY of the United States is a glorious story of united action. From thirteen weak but united colonies our country has grown to a mighty land of forty-eight United States.

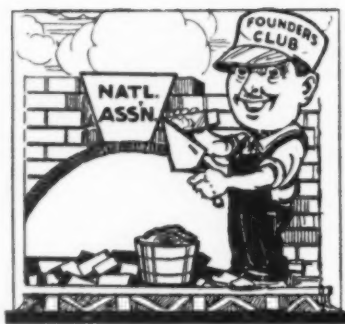
United action is also the keynote of the credit union movement. Individual credit unions are composed of a united group of individuals having a close common bond. State Credit Union Leagues are united groups of credit unions in any given state. The state leagues unite to form the Credit Union National Association.

The answer, then, to the question, "Why should a credit union join its State League?" is easy to give. It is simply that *in unity there is strength*. The Credit Union National Association has developed from this basic principle three important reasons why a credit union should join its State League. These it addresses to individual credit unions as follows:

"(A) The primary job of the State League and the National Association is to carry forward the credit union movement in the same spirit in which it was founded by Raiffeisen and Filene. Our first job is *not* to get something for the credit union or for the credit union member. Our first job is to *give* the credit union day by day to more and more people who need it (and there are over 70,000,000 people in the United States not now eligible to credit unions who need credit union service). Our largest expenditures are made in organizing agencies to create credit unions, chapters and leagues and in an honest effort to give the credit union movement to others in *exactly the same spirit in which Filene gave the credit union to you*.

"(B) Our second job is to protect the credit unions from adverse taxation and legislation and to perfect the credit union system by legislation and organization as the need exists from time to time. This requires expenditures for legislative and legal work in large amounts. *Upon the success of these efforts the future welfare of your credit union at all times depends*. For a single (of many possible) example: the enactment by Congress of the space bill in 1937 through the activity of the National Association and the State Leagues saved 677 credit unions of Federal employees (which have nearly 350,000 members) from an annual rental charge in excess of a quarter of a million dollars. Again—the enactment of SB 2675 saved 3000 Federal credit unions from state, municipal and Federal taxes which would total far in excess of the national budget of the National Association. *Our second job is to protect your credit union and to assist it to perfect its operations*.

"(C) As has been noted above vast



OCCASIONALLY we have to define membership in the Founders' Club. Recently we have received several requests for membership which did not at all comply with the very simple conditions of membership.

When the Club was organized the thought behind it was to emphasize the potential ability of many credit union members as credit union organizers. The purpose of the Club therefore is to stimulate credit union organization. Obviously, participation in the organization of your own credit union is not enough. *If it were the Club would have thousands of members and the point of the Club would be lost*. The first condition of membership is that the applicant must be a credit union member who, *of his own initiative*, has been primarily responsible for the organization of another credit union. Obviously we cannot admit two members to the Club on the basis of one new credit union with the organization of which they both had something to do. Obviously it isn't enough that the applicant thought of organizing a new credit union within a group and passed this thought onto someone who did the work. *The applicant must (1) be a member of a credit union and (2) must, of his own initiative, have originated interest in another group which organizes, primarily as the result of his effort*.

Further this must be set forth in a letter from the applicant to the Founders' Club. A letter from the Managing Director of his State League or from some friend of his is not enough. The applicant must want to belong to the Founders' Club and prove it by a personally signed

sums are saved for credit unions and for credit union members through the affiliates of the National Association; tons of free literature are distributed, limitless free contact and informative service is supplied and the National Association through its expanding program is already saving credit unions and credit union members many, many times the cost of affiliation in your State League and in the National Association."

There are approximately 125 credit unions in the State of Tennessee. All of them should be members of the State League. Membership in the Tennessee State League carries with it automatically membership in the Credit Union National Association. Is your credit union a member? The league needs you;

## FOUNDERS' CLUB

application, setting forth his credit union and the new credit union for which he is responsible.

There is another implied condition in membership; that the applicant, on becoming a member of the Founders' Club, will thereafter continue his organization effort. He proves that he is really entitled to his Founders' Club badge by organizing new credit unions from time to time; we have members of the Club who have more than twenty credit unions to their credit.

1940 promises to be a big year in the credit union movement; May was our best month so far as new credit unions are concerned in the past four years. This is the chosen time for credit union promotional work. It is a time for all good members of the Founders' Club to stand by and get in some good licks.

We have several applications in good order to whom badges will go forward shortly: The following compose the pending list.

E. W. Tipton Coffeyville, Kans.	Roy H. Helge Duluth, Minn.
Joseph F. Maher Cleveland, Ohio	Homer F. Carroll Akron, Ohio
Hattie R. Tipton Coffeyville, Kans.	Philip Rubin Brooklyn, N. Y.
John Henry Jull Jamestown, N. Y.	O. K. Palm Jamestown, N. Y.
Irwin Levine New York, N. Y.	Michael Swados Buffalo, N. Y.
Frank A. Schneider Rochester, N. Y.	E. G. Morrison Cincinnati, O.
Samuel W. Raych Buffalo, N. Y.	David Frank Bridgeport, Pa.
P. C. Schwelckrath New York, N. Y.	E. M. Hickox El Monte, Calif.

W. E. Argast  
Galesburg, Ill.

Cordially,

*Ray H. Helge*

Founder.

you need the league. *In union there is strength*.

—From *Tennessee Credit Union News*.

### That's Much Better

"It is an established fact," said the lecturer, "that the sun is gradually but surely losing its heat, and in the course of seventy million years it will be exhausted; consequently, this world of ours will be dead and, like the moon, unable to support any form of life."

The head and shoulders of an excited member of the audience rose above those of his fellows. "Pardon me, Professor," he cried, "how many years did you say it would be before this calamity overtakes us?"

"Seventy million, sir," said the professor. "Thank heavens," gasped the interrogator, sinking back exhausted in his seat. "I thought you said seven million."

## FILENE DEFINED CREDIT UNION

A credit union is a coöperative society, organized within, and limited in all of its operations to, members of a specific group (such as the employees of a factory, mill, store, public service corporation, members of a church parish, fraternal order, community group, etc.

It is self managed, operating under the supervision of the state banking department and Credit Union Section of the F.C.A. purposed (1) to supply the members of the group with an easy and convenient method of saving money enabling them, thereby (2) with their own money and under their own management to take care of their own short term credit problems at legitimate rates of interest.

To become a member of a credit union, I must first be a member of the group within which it organized; next I must agree to buy at least one five-dollar share at the rate of twenty-five cents a week; if I feel that I can save fifty cents a week I subscribe to two shares, paying in twenty-five cents on each share; if a dollar a week, to four shares, if five dollars a week to twenty shares, etc.

The credit union as a thrift plan is gauged down to the member who can save the least and serves equally the member who can save the most and all of the members in between.

As a thrift plan the credit union is the best thrift plan for two reasons: (1) more members of the given group will save in a credit union than would save, proportionately, under any other system; (2) the individual member will save more money in his credit union than he will save in any other way. This is because the credit union is geared to his service and adapts itself to his maximum convenience.

The credit union comes to the credit union member, without waiting for the member to come to the credit union—EDWARD A. FILENE.

### Archbishop John T. McNicholas Endorses Parish Credit Unions

Archbishop John T. McNicholas of the Archdiocese of Cinti in a recent letter to all priests urged the organization of parish credit unions. Because of the remarkable success of the twenty-one parish credit unions in the state, attention had been directed to the moral influence and economic security which they had provided.

After outlining the fundamentals of parish credit unions, he listed the names of those operating within the diocese. He stressed the fact that they were easy to start, and that they should be started small without waiting for an accumulation of capital. He concluded by saying, "The parish credit union is a form of real Catholic Action and is a direct application of the law of Christian charity. It alleviates the suffering of the burden of debt and financial exploitation. It teaches the principles of mutual respect and mutual help."

# LOST

LOST—A bothersome Surplus  
CASH ON HAND of \$15,000  
—ANY CREDIT UNION—

# AND FOUND

FOUND—A safe, dependable way to put this  
money to work through INSURED LOANS  
to members

Thousands of dollars are lying idle in Credit Unions throughout the country due to the reluctance of members to co-sign notes when no protection is offered in the event of the death of the borrowing member.

KEEP IN STRIDE with the 3,350 progressive Credit Unions members of CUNA MUTUAL INSURANCE SOCIETY who provide LOAN PROTECTION to their half a million members.

LOAN PROTECTION insures Credit Unions against loss incident to the death of borrowers, thus releasing the estate, co-signers and other security from all liability. This essential service to members is provided by YOUR OWN INSURANCE COMPANY.

NOT FOR PROFIT—NOT FOR CHARITY—BUT FOR SERVICE

Write Today to

**CUNA MUTUAL INSURANCE SOCIETY**

Raiffeisen House

Madison, Wisconsin

## A DEMOCRACY OF FINANCE

By Peter Grant

**O**FTEN WE wonder if credit unions are the democratic institutions we say and think they are. We mention this for the reason certain remarks of some indicate a leaning or drift away from the principle that a credit union is and must always be "by, of and for the many." Domination by single thought, direction and voice in the end surely means disintegration of the whole; it just won't work. What is true of the individual credit union holds good, too, for a State League and National Association. We remind that unity of the many is attained only when the many see and feel they are a true part of this sort of an institution. We must be sure ours is actually a democracy of finance and functions ever in that fashion. Cohesiveness must be brought about.

To build with permanency the individual member will have to be well informed on the purposes, as well as the services, of his credit union and encouraged to make use of them. He should be shown that it is a citadel of hope and realization through which we may enrich our lives; a means by which we can make our dreams come true. It must be pointed out to him that here is a practical way that he (and it is a fact) can help create a better tomorrow; it surely will make for finer character. He, with the rest of us, can, and I think are, slowly developing the correct Recovery Act. Teach him that by throwing his wholehearted support into his credit union and convincing his fellowmen to do likewise, a real progressive contribution, infinite as it may seem, is undeniably being made toward the sort of social and economical life that is due us average folks.

These are not just words, for you and I know the movement as a whole is moving forward, and in the right direction. Those in whose hands have been placed the responsibility of direction, we are confident will not fail us. As I look back over the road we have traveled much of it was rough, some of the hurdles were high, they seemed almost insurmountable. However, we came through! How was it accomplished? You know the answer, it was due to work, backed by the hope (these two elements are as evident today as yesterday) that those who follow may have a smoother and happier path. Yes, mistakes and some failures have been made but perhaps less and less of these will occur from now on as the purposes unfold and become more clear to us, as closer unity, oneness as it were, is achieved.

Above all, to succeed as a national democracy of finance, we must not let the pressure of the immediate influence us into any hasty action. This, it would seem ought to ever be borne in mind,

as well as the fact that unity of purpose, means unity of action and to bring this into reality requires frank cooperative thinking, planning and action. This is paramount!

\* \* \*

## CREDIT UNIONS ARE BASICALLY AMERICAN

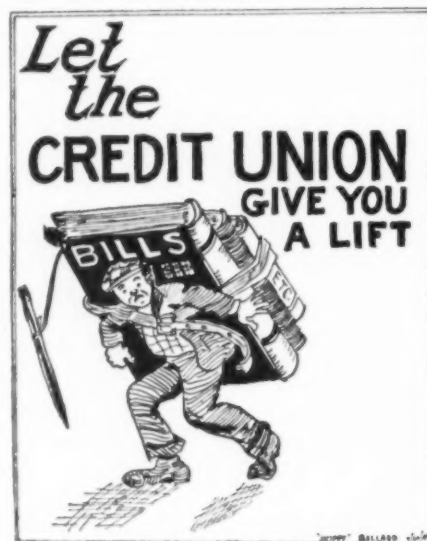
That credit unions are completely consistent with basic American principles, was emphasized by the late Edward A. Filene, founder of the credit union movement in America.

Said Mr. Filene:

"Credit unions will doubtless be eventually interested in other matters of common concern to their members. Possibly their greatest service is to be found in the fact that they are teaching their members something about this mysterious medium of exchange called 'money.' At a time when, of all times, sane thinking relative to capital, its use and proper control, its potential capacities of service and its possible abuse, is absolutely essential, the credit union brings to its members first-hand knowledge of such matters. It teaches that capital properly used is for the public good; it brings people face to face with some of the important principles on which our economic structure is reared. *The credit union is completely consistent with our basic American principles of popular participation in all matters which pertain to the welfare of the great American state and of the people who compose it.*

"If credit union development is to go forward effectively it must attract the favorable attention of folks who have demonstrated their capacity to see beyond and above their own immediate and very personal concerns—to the broader

## ARE YOU USING POSTERS?



From the Woodstock Typewriter Employees Credit Union comes another poster to help promote the benefit of credit union service.

vision of an united country, perpetuating all that is good in our tradition of democracy by perfecting it. The credit union has much in it of normal appeal to those who would serve their fellows."

\* \* \*

## Study Clubs Lead to Organization of 24 Credit Unions and Store

**T**HE REMARKABLE development of cooperation in Halifax, the capital of Nova Scotia, is an encouraging example of what spare-time cooperators can accomplish in an urban, non-industrial center.

Beginning in 1936 and 1937 with a handful of enthusiastic pioneers who started three credit unions and studied other phases of cooperation, the movement has expanded in the last two years to include twenty-four credit unions, a credit union chapter, a cooperative council, a women's council, a monthly publication, a self-help group of unemployed men (discontinued when the war offered means of employment) and most important of all, study clubs and an educational association.

Although Halifax cooperators planned and executed their own campaign, they were inspired by the success of cooperators in eastern Nova Scotia and received aid from the Extension Department of St. Francis Xavier University, Antigonish.

The Halifax development has truly been a people's development. It includes men and women from all parts of town and most, if not all, services, trades, professions, clubs, societies and churches. One credit union draws its membership from the Ministerial Association, the YMCA, the YWCA, and social workers. Another is open to everyone in a particular neighborhood. Even the staff of one of the newspapers decided not to be left behind in the rush that saw provincial, federal and civic employees, railway and transport workers, the staffs of a hotel, a dry cleaning establishment, a fish company, a chocolate factory and a gasoline corporation, parishioners of Roman Catholic churches, and members of the Masonic order take their first steps along the middle way of cooperation.

At the close of 1939, there were some 3500 credit unionists in Halifax or more than one-seventh of the working population. Although well over a thousand of them are still in their first year or just beginning their second year, they have already created a loan turn-over of a quarter of a million dollars and have saved \$103,000.

### Wrong Answer's Right

Gert: "If you added seventy-six thousand, nine hundred and twenty-three to eighty-one thousand, four hundred and twelve, what would you get?"

Hat: "A wrong answer."

### Must Have

Hubby (phoning): "How do you feel this morning?"

Wife: "All right."

Hubby: "Then I guess I have the wrong number."

"Conceit is to nature what paint is to beauty; it is not only needless, but impairs what it would improve."—Pope.



## I MEET THE CREDIT UNION

By W. J. McGlothlin

Director Knoxville TVA Employees C.U.

MY INTRODUCTION to the credit union was not a usual one. I didn't come to it; it came to me. But once the meeting was arranged, the friendship and affection between us was immediate and intense.

The Personnel Department of TVA receives many requests from creditors for assistance in the collection of money owed by employees. Because creditors cannot garnish the wages of TVA employees, their requests are frequent and demanding. As these requests flowed across my desk, the need for sources of low-priced credit became clear. Much of this dunning came from collection agencies, who operated for a percentage of amounts collected; loan agencies, which in Knoxville operated at interest rates beginning at 133% annual interest; and Justices of the Peace, who rendered judgments and then assisted in collecting them, doubly guaranteeing the payment of the costs they assessed. Low-priced credit could eliminate much of the harassing, which these demands meant to employees much of the loss, much of the worry, which these demands meant to employees.

When the Board of Directors asked me to become a member of the Credit Committee, they found a willing convert. I knew nothing of credit unions; even the name was foreign. *But the simple idea of pooling resources so that members of the group could borrow easily and cheaply in time of need did not require a long explanation.* Here was help to a number of troubled persons, and it was gratifying to assist in making that help available. From then on I had a solution for employees who came into my office to explain their credit difficulties. And the solution was compressed into a single question: "Why don't you try the credit union?"—TENN. LEAGUE NEWS.

## SHARE ACCOUNTS INCREASED! AND HOW!!

### A Successful Plan

THE BURLINGTON WAY. It seems the treasurer of the Alliance (Nebr.), C., B. & Q. Employees Federal Credit Union started something where he grouped the members share accounts by hundreds, that is, accounts No. 1 to 99 inclusive, etc., and then asked, "how come this and that group did not save as much as such and such a group"? But we will let him tell it as reported to the members in their official organ, "The Credit Union News":

"As I mentioned at the start we really got action. I think we hit the nail pretty squarely on the head because when you dig a fellow a little he 'hollers' if it hurts

## PLEASE!

It would be appreciated if all Leagues, Credit Unions, Chapters, etc., issuing publications, pamphlets and other informative material will kindly send copies of same to:

J. ORRIN SHIPE  
Educational Director  
Raiffeisen House  
Madison, Wis.

—and they say the truth hurts.

"One member came in and he said he thought there was something screwy about this organization. I asked what made him think that. His answer was that he held a membership, the account number of which was in the series between account number 201 and 300, and that I had made the statement that there was only an increase of \$1.67 in this particular hundred accounts. He knew this was wrong because he had deposited \$4.00 during that month himself and if I was right he would like to know what had become of his money. I asked him if it had occurred to him that one of his fellow members had slipped up on him and had withdrawn \$4.00 during the same month which nullified his deposit. When the light dawned on him he said he thought there was some catch in it.

"Others came up and actually apologized for not making regular deposits—others called to say that they had been hard pressed this summer with other things and just couldn't manage to put anything away. Others were out of work during the slack season and, of course, having no income could not save anything.

"The reaction did us a lot of good. It called our attention to the fact that we must be woke up once in a while. If we aren't we fall into a rut and we travel that rut because it requires a little effort to step over the hump and it is so much easier not to exert ourselves. It is so much easier to follow the easiest line of resistance.

It might be a good idea to publish our progress by each hundred accounts each month. Maybe we'll try it if you are interested. You can then see for yourself what progress we are making—after all you should be just as interested as any of the officers. Following is the comparison for July, as compared with June:

Accts. 1 to 100	increase	\$172.00.
Accts. 101 to 200	increase	106.50.
Accts. 201 to 300	increase	307.00.
Accts. 301 to 400	increase	164.00.
Accts. 401 to 500	decrease	73.00.
Accts. 501 to 650	increase	485.00.

"During July every group had an increase excepting Accts. 401 to 500 which had a decrease of \$73.00. You members in that group better wake up and all save a little this month to make it up."

## THE MOST IMPORTANT Member of Your Credit Union

By H. E. Latham

President, North Carolina Credit Union League

WHEN I first became interested in Credit Unions I was told that the treasurer was the most important man in the Credit Union. Since that time I have been told the same thing by several people. Credit Union treasurers, themselves have made this statement to me. In spite of these repeated statements to me I have become, of recent months, increasingly aware of the fact, that the treasurer is not the most important man in the credit union, nor is the president, nor the clerk, nor any member of the credit or supervisory committees. He is the new chairman of the new educational committee.

You immediately say, "Why do we need an educational committee"? Here is the reason: Does your treasurer have sufficient time to go about among your potential membership and secure new members? Does your president have time to go about among your membership and solicit new members and also loans? Does any member of your board of directors have sufficient time to attempt to secure subscriptions for the BRIDGE? Does any member of your officer group have time to sit down and work out a plan for distributing pamphlets or other educational matter that might be available from time to time? The answer is, of course, that they do not have time. The result is that these things are not done in the systematic and definite manner in which they should be done. A live, wide-awake, enthusiastic educational committee chairmaned by a man who knows exactly what he is doing and how to go about doing it, is the only group of men who can handle this job as it should be handled.

Any credit union that does not have a strong educational committee is passing by the finest opportunities for creating and maintaining a growing, enthusiastic credit union activity and progress.

"I have often said that if we could only organize the forces that are interested in the right, to fight as hard and as tenaciously as the forces on the other side do, many of our weaknesses and wrongs would be quickly wiped out—and that until this does happen, we cannot expect much progress."

—Edward A. Filene.

### CAVOUR:

"He who trusts men will make fewer mistakes than he who distrusts them."

It is the wise head that makes the still tongue.

"Algebra is a short-cut to work," so saith a High School Senior.

## CREDIT UNIONS STILL CHARGING 1 PER CENT

**B**Y FAR the greater part of the credit unions in the United States charge interest at the rate of 1 per cent per month or its equivalent, a recent study in the Farm Credit Administration shows.

The study was made from data obtained in a special questionnaire last year, which went to both state and federal credit unions. Returns were compiled separately for the two types. In both cases the number of credit unions reporting was fairly large and apparently they represented a true cross section of their respective types. The interest rate reported may thus be considered as a fairly close representation of those charged by all credit unions in the United States.

For federal credit unions the study shows that in 1938, 1,598 credit unions out of 1,702 were charging 1 per cent per month interest. This is about 94 per cent. The reporting credit unions were distributed, as to time of beginning business, over the whole 5-year period 1934-1938; 50 of those reporting had received charters in 1934, 476 in 1935, 534 in 1936, 407 in 1937, and 235 in 1938. As might be expected, the older the credit unions, the larger the percentage of those which had lowered their interest rates. In 1938 about 80 per cent of the 4-year-old federal credit unions were still charging the maximum, as were 90 per cent of those 2 years old, and 98 per cent of those one year old. Of the 235 reporting credit unions chartered in 1938 all but 3 charge 1 per cent.

Among the State credit unions the same tendency toward reducing interest rates as the credit unions grow older was noted and the process had naturally gone farther than with federal credit unions. The life periods of 1,979 reporting credit unions ranged as far back as 1911, and they thus included credit unions of all ages from a few months to 27 years. In 1938 a total of 1,560 of these credit unions, or 79 per cent, were charging either 1 per cent per month or 6 per cent discounted. In addition 21 credit unions were discounting loans at more than 6 per cent, and 2 were charging 1 1/2 per cent per month. Thus 1,583, or 80 per cent, were charging the equivalent of 1 per cent per month or more on the unpaid balance.

Combining the two sets of figures we find that 3,181 out of 3,681 credit unions, or about 86 per cent, had an interest rate in 1938 equivalent to 1 per cent per month or more on the unpaid balance.

### Truly, a Friend When in Need Loan Paid in Full!

**P**RESIDENT VILLENEUVE, Bull's-Eye Credit Union, of Wisconsin Rapids, Wisconsin, recently wrote CUNA Mutual Society:

"At our monthly meeting our Board asked me to write a letter thanking you for your prompt payment of disability claim on our account with John Doe. We appreciate this service more than we can tell. This has been our second call on the Cuna Mutual and we assure you we DO appreciate your fine service. This Credit Union will always be a booster

## THE CLOCK OF LIFE

"The Clock of Life is wound but once,  
And no man has the power  
To tell just when the hands will stop,  
At late or early hour.  
Now is the only time you own,  
Live, love, toil, with a will,  
Place no faith in tomorrow for  
The clock may then be still."

\* \* \*

Do you wish the world were better?  
Let me tell you what to do;  
Set a watch upon your actions,  
Keep them always, straight and true.  
Rid your mind of selfish motives,  
Let your thought be clean and high;  
You can make a little Eden  
Of the sphere you occupy.

\* \* \*

Do you wish the world were wiser?  
Well suppose you make a start  
By accumulating wisdom  
In the scrap-book of your heart.  
Do not waste one page on folly;  
Live to learn and learn to live.  
If you want to give men knowledge  
You must get it ere you give.

\* \* \*

Do you wish the world were happy?  
Then remember day by day  
Just to scatter seeds of kindness  
As you pass along the way;  
For the pleasure of the many  
May be oft-times traced to one,  
As the hand that plants an acorn  
Shelters armies from the sun.

for CUNA and the State League. We hope to be able to take Share Insurance and Chattel Ins. shortly after the annual meeting in January.

"Again, many many thanks for your fine service."

P.S.—Following are my impressions of my visit with John:

I have just returned from the home of John Doe where I presented him with a fully paid up loan due to disability. John was in bed, having taken a turn for the worse in the past few days. He suffers from periodic heart attacks. Genuine tears of joy ran down his cheeks as we explained to him that his note with us was all cleared up and this was one less worry for him.

He, of course, doesn't realize that he will never return to work. He could not quite understand how any insurance could clean up his account. His wife could not grasp it any better than he. Honest, hard working, simple folks who wouldn't cheat anyone out of a penny. His past record with us was perfect; a borrower for a good number of years, always prompt with his payments and interest; always trying to do what was right with his Credit Union. "I tried to borrow at the bank," he said—"but I didn't have enough security. The Credit Union always let me have the money. When I get back to work, believe me,

I'll be a BOOSTER for the Credit Union."

"Yes," I told him, "you've been a booster for the Credit Union. You have made it possible for us to take out Loan Insurance. You have helped this Credit Union to help you. You owe us nothing. Our very existence depends upon the honest, hard-working men and women like you. If we have been of service to you, we are glad. I wish we had a thousand members like you. To you, John, a sincere THANKS for your patronage." (Correct name not used)

## First Summer Credit Union Institute

**R**ECENTLY in credit union circles there has been a growing interest in discussion methods and conference techniques. Increasingly the question has been asked, "How about a conference where we can chew over credit union problems for a whole week?"

July 28 to August 3 credit unionists and other interested persons will have an opportunity to spend an entire week where there's plenty of time for short interesting conference sessions; time to chew things over at three meals a day, bat around knotty problems on the ballfield, or to settle moot questions in a leisurely stroll.

This opportunity is made possible through the invitation of Robert L. Smith, assistant secretary of the Eastern Cooperative League, who has been sponsoring these successful conferences for the past twelve years. This will be the fifth year that it will be held on the delightful campus of Massachusetts State College at Amherst, Massachusetts.

Smith's institute sponsors eight courses. The Credit Union National Association accepted the offer to conduct the one on Credit Unions. This will include a discussion of organizing credit unions, technical procedures, methods of stimulating membership participation, ways of publicizing credit union services, aids available, and program planning for chapters. Cuna's Educational Director, J. Orrin Shipe, will lead the discussion. At the evening sessions outstanding personalities such as Dr. J. P. Warbasse, Roy F. Bergengren, E. R. Bowen, and L. E. Woodcock will deliver addresses.

Plan to spend part of your vacation in this delightful new way—combining intensive study with restful relaxation on a beautiful 700-acre campus with its elm-shaded walks, closely-cropped lawns, fields of hay and clover, with a brook in the glen where "sings" are held and the view from the hill where campfires burn, all providing idyllic background for the serious discussion of mutual problems, and lighter hours of sport and activities which fill the days.

Will your Credit Union be in on this pioneer session? How about a scholarship from your education fund.

Room, board, and tuition for the whole week are only \$14.00. Write to Cuna Educational Services, Madison, Wisconsin, for a free folder giving complete details.

# ◀ NEWS OF STATE LEAGUES ▶

"Replacing the best with something better—that is the keynote of progress"—Edward A. Filene.

## TEXAS

By Dr. R. L. Conrod

### New Houston FCU Organized!

GIVING promise of being one of the largest and strongest credit unions in the state of Texas, The Federal Employees Credit Union of Houston was recently organized in the South Texas metropolis with the purpose of serving all permanent employees of the federal government in Houston.

At the organization meeting Peter V. Lomonte, agent of the bureau of internal revenue, was elected president; David A. Newport of the Federal forest service, vice president; and Granville W. Elder, secretary to the postmaster, secretary and treasurer.

The board of directors of the Houston credit union is composed of the above officers and the following men: Fred C. Rogers, social security board; Lawrence E. Armin, attorney; J. Leo Baldwin, probation officer; G. J. Geyer, customs service; L. D. Crossman, immigration and naturalization service; John B. Richard, deputy marshal; and H. L. P. Phillips of the internal revenue service.

### 30 New Credit Unions Organized in Texas During 1940

Under the able supervision of the managing-director of the Texas Credit Union League, W. J. Edmonston, thirty new credit unions have been organized in the Lone Star State since the turn of the year, 1940, swelling the total number of credit unions in Texas to 339 as of May 31, 1940. Twenty of the new credit unions have already become affiliated with the TCUL, while nearly all the others have indicated that they will do so in the near future.

The Federal Credit Union Representatives, Paul Mills, Robert Hanscome, and R. S. Peterson, held the organization meetings of the Federal Credit Unions, and in many instances responded to written requests sent in to the Farm Credit Administration for preliminary assistance.

The new credit unions in Texas to whom charters have been granted since January 1 are: Lubbock County Teachers FCU, Lubbock; Pantex FCU, Phillips; Sacred Heart Parish FCU, Flatonia; Duncan Field FCU, San Antonio; Red Arrow Employees FCU, Houston; Electrical Workers B66 FCU, Houston; Skelly Panhandle FCU, Skellytown; Wise County Teachers FCU, Decatur; Austin Transit Employees FCU, Austin; MOP San Antonio FCU, San Antonio; Smith County Teachers

## ATTENTION PLEASE

Will appreciate it if those States contributing to this Section will each month furnish the following data: total number of credit unions in state; percent belonging to League; total assets and number of members (use latest available figure); number of Bridge subscriptions; amount donated to Filene Memorial. Will use in "Box" under each state heading.—Editor.

FCU, Tyler; Wright-Patterson FCU, Dallas; Phil-Pet FCU, Pampa; San Antonio School Employees FCU, San Antonio; Dreyfuss FCU, Dallas; Tri-District FCU, Victoria; Panhandle Texaco FCU, Pampa; Magnolia Kermit FCU, Kermit; Plains Bell FCU, Amarillo; Eastern States Refinery Employees FCU, Houston; Shellane FCU, Wichita Falls; Emsco Houston Employees FCU, Houston; Byer-Rolnick Employees FCU, Garland; Trabusa FCU, Dallas; Briggs-Weaver Employees CU, Dallas; Texas Unemployment Service CU, Ft. Worth; Taylor County Teachers FCU, Abilene; Abilene Bell FCU, Abilene; Cotton Belt CU, Tyler; and Gregg-Tex CU, Longview.

### TCUL Managing-Director Points Out League's Objectives

In his May 1, 1940, report, W. J. Edmonston, Texas Credit Union League managing-director gave a complete discussion of the objectives and benefits of the Texas Credit Union League.

The gist of Edmonston's report was that the three main objectives of the TCUL and of the CUNA are the organization of new credit unions, the supplying of a central agency for the rendering of common services, and the protection from unfair taxation and legislation.

Edmonston further stated that all credit unions in Texas were required to pay a Franchise Tax until the League secured the passage of remedial legislation in 1937. Two cities in Texas attempted to levy city and school taxes on credit union loans. This was remedied in 1939 by the League through legislation.

### Fort Worth Department Store Publishes Bulletin

Into the rapidly growing field of credit union bulletins in Texas this past month appeared the first edition of the monthly publication of The Fair Store of Fort Worth, "The Fairway."

The attractive little bulletin contains detailed information as to the workings of the Fair Store Employees FCU with valuable advice regarding the credit union work.

The credit unions of Texas are happy to welcome The Fairway and hope that many more useful publications of this sort will continue to come forth.

### Amarillo-Borden's FCU Continues Fine Work

In speaking of credit union bulletins, it must be said that perhaps one of the most consistently fine publications in the state from the point of news value is that of Borden's Amarillo FCU, "Credit Union News."

From a recent issue of "Credit Union News" we find that the directors and committeemen of that FCU are attending a regular school of their own each month in order to acquaint themselves better with the fundamentals of credit union law and practice and thus be better able to serve their own credit union's membership.

### Big Spring Man Has Real Spirit of Credit Union Work

Credit union work has many fine characteristics and perhaps one of the greatest is the molding of that spirit of good will and fellowship as has been exemplified by many in this field of endeavor. One of the best examples of this is the work being done by T. E. Yarbro, treasurer of the Conoco Employees West Texas District CU of Big Spring, who really has acquired that "spirit."

It is a known fact that Yarbro has many times gone out of his way and inconvenienced himself in order to help some one out by making a loan. Stating himself that he once used to become irritated at persons calling at his home at all hours of the night in order to make loans, Yarbro points out now that he finds himself willingly going out of his way in order to accommodate the borrower.

In Yarbro's own words: "Why should I hate to get out of my easy chair to walk a block to the office and give a fellow a check? He works the same as I do all day and at evening he is tired too, and would much rather stay home by his fire-side than to get out and look me up. It's just as Tom Doig said: 'There's a lot of us that need the spirit of good will and fellowship and if we can get this spirit, we have greater potentialities.' I hope that I may not get in the rut again."

### Texas Leads Nation in Number of State Supervised CU's

A recent report of both national and statewide totals in the credit union field showed that Texas ranked first in the nation in the number of state supervised credit unions, while she was also third in the number of Federal Credit Unions.

The report showed further that there



## News of State Leagues

were 27 teachers credit unions in the Lone Star State, that the total membership of all Texas credit unions (305 at that time) was 70,000, the total assets were over \$7,000,000.00, and the interest totaled over the half million dollar mark.

### Denton County Teachers FCU Sets New Marks in May

May was a record-breaking month for the Denton County Teachers Federal Credit Union according to the report of Dr. R. L. Conrod, treasurer and TCUL vice-president.

Four new monthly records were written on the books as 30 members joined for the first time, 56 loans were made to the amount of \$17,510.67, and interest was collected to the amount of \$333.48.

Including the above figures the totals for the Denton credit union read as follows: membership, 432; loans made, \$56,031.07; shares, \$42,549.65; notes payable, \$14,000.00; and total assets, \$57,803.67.

## OHIO

By Louise McCarren

### New Credit Unions

ALMOST twice as many new credit unions have been organized during the first five months of this year as compared with the same period last year. Eight charters were granted by the State and Federal Governments from Jan. 1 to May 31, inclusive, while only 45 were granted during the same period last year.

It is interesting to note that out of these eighty charters forty-one of them went to industrial groups, seven to government employees, 14 to Catholic Parishes, one to a Presbyterian Church, six to labor unions and one to a fraternal organization. Out of the 48 credit unions organized among employee groups, twenty-five of them were organized by labor unions on an open shop basis; thus organized labor has been solely responsible for 31 credit unions the first five months of this year.

Most of these eight credit unions were organized by volunteer organizers. Thus acceleration in our organization program demonstrates the very valuable contribution to the credit union movement that chapters and interested members can make. May their efforts increase and their results be even more spectacular during the remaining seven months of 1940.

### Cincinnati Chapter Leaders Promote Young Citizen's Day

Cooperating with other Public service organizations of greater Cincinnati, credit union leaders help to promote a series of meetings at each of the seven high schools in the City in order to acquaint young citizens who are voting for the first time in this election, and those who have become

naturalized recently, to the duties and responsibilities of citizens in a democracy.

The meetings were first addressed by a prominent speaker, then the meeting was turned over to the credit union leaders to conduct small discussion circles. The groups were divided into groups not to exceed twelve in each discussion circle, and they discussed the two following questions: (1) What are the responsibilities of a citizen in a democracy?; (2) "How can these responsibilities best be discharged?" The conclusions arrived at by each group was then reported back to the meeting as a whole.

The discussion circle method of education, so successfully used by the credit union chapters throughout the state of Ohio, is rapidly being adopted by many other voluntary discussion groups. Introduced into the Adult Education Council, about a year ago, it has become accepted by the leaders as the ideal method of getting entire participation by all in attendance, which is so important, and also it is the best known method of arriving at the proper solution.

### Miami Valley Chapter to Hold Picnic

The Miami Valley Chapter has announced a picnic for all credit union members in their area, for Saturday afternoon, June 15. Tickets to defray the expense are being sold at a cost of 10c each for adults, and children free. An elaborate program of games and entertainment, good fellowship and credit union inspiration has been attended. Two weeks prior to the picnic, more than three thousand tickets had been sold, and the committee expects to sell 10,000.

### E. J. Hickey Attends Columbus Chapter Meeting

At the regular meeting of the Columbus Chapter, E. J. Hickey, Chief of Field and Review of the Federal Credit Union Section, was the principal speaker. The meeting called to promote interest in the organization of credit unions in the area, was well attended by credit union members. In addition representatives of six prospective groups also attended the meeting. Mr. Hickey gave an inspiring address, on the place of the credit union member in the progress of the credit union movement, and urged all present not only to assist with their own operations and education, but to use their energy and resources to bring credit union services to those who are without them. Robert Platter, representing the Ohio Credit Union League also addressed the meeting.

### Cleveland Chapter First to See New Filene Memorial Film

A film strip, produced for the Filene Memorial Committee, by L. A. Pinkney, a veteran credit union leader from Missouri, had its world premier at the Cleveland Chapter meeting on June 6. The film showing excellent and interesting shots of the site for Filene House donated by the Madison Credit Union Chapter, and accepted by the National Board recently, greatly increased the enthusiasm for Filene House. It is so produced to portray

Mr. Filene in the background, that those who see it, feel inspired to carry on as Mr. Filene would have done had he continued to live. It also shows the crowded quarters now occupied by the Credit Union National Association, and the great need which exists for larger and more adequate quarters so that we may constructively and efficiently carry on the work of promoting, perfecting, and protecting the national and international credit union movement.

### Akron Teachers Entertain Summit County Chapter

"The Lord Helps Those Who Help Each Other," an excellent three-reel movie on the story of Nova Scotia and its cooperative development was the principal attraction of the Chapter meeting for Summit County in June. The picture showing how under the inspiration of the leaders of St. Francis Xavier University have through first the organization of credit unions, and then cooperatives in other fields have literally taken the people from abject poverty to a decent standard of living. In addition to improving their material standards it has rebuilt the citizens spiritually. They are now a group of people for whom living is a joy, who face the future with confidence, that standing together they can help one another. With faith renewed and hope revived they have realized that "the common man in union with their God and with one another can do uncommon things." Harold Schroeder, newly elected secretary of CUNA, gave an inspiring address on the Filene Memorial.

### Harold Schroeder Visits Stark County Chapter

The Stark County Chapter, one of the most enthusiastic chapters in the nation, held its regular monthly meeting in the I.O.O.F. hall in Canton. Having outgrown the employees club room in the Ohio Bell Telephone building, the chapter was required to find larger quarters. The meeting was devoted to general discussion of credit union problems. Harold Schroeder, newly elected officer of CUNA, gave an interesting report on the national board meeting and urged all credit unions in the chapter area to complete their campaigning for the Filene Memorial.

### Lima Credit Unions Hold Meeting for Chapter Organization

Representatives of Ohio, Lima, Cord, Wemco (Westinghouse) & Lima Telephone credit unions met for the purpose of discussing their common problems and the organization of a chapter in order that the meetings may be held regularly, and also to assist other groups who are interested to organize. Also in attendance at the meeting was a representative of the Lima Teachers Association, and Father Mueller of the Carthegena Parish Credit Union. A very interesting discussion on credit unions problems was held, and many questions answered. Miss McCarren and Mr. Platter of the Ohio Credit Union League attended the meeting. It was voted to meet regularly on the third Thursday of each month.

## News of State Leagues

### Credit Union Camps

A feature of the summer credit union program in Ohio is week end camps. Credit Union leaders from a central locality will gather in a rustic spot that is inexpensive and discuss credit union problems, procedure and its place in our national economic and social life. The cost of the camps will be borne by each person who attends. The first camp will be held in the form of a board meeting, chapter leaders and Filene Memorial meeting. The meeting will be held at Hocking County State Park. Representatives of the Federal Credit Union Section are expected to attend as well as local leaders. The meeting will convene on Friday night, June 28, and continue through June 30.

### "School for Workers"

The University of Wisconsin has announced its summer session of "School for Workers." The course is designed to attract members and leaders of labor unions and credit unions. A one-week, two-week or six-week course may be taken. Courses in the Philosophy and History of Labor, Conduct of Meeting According to Parliamentary Law, Effective Speaking, Effective Reporting of Events, and many other similar courses are offered. Information gained by attending for even one week in this beautiful city at one of our great universities will be invaluable to any of our number. All credit union members are urged to use their credit union if they are temporarily without funds and desire to attend this school. Write the Ohio League office for leaflets or write direct to the School for Workers, University of Wisconsin, Madison, Wisconsin.

## ILLINOIS

By Frank C. Dean

### QUESTIONS AND ANSWERS

By M. F. Gregory

Recently we charged off a loan to the reserve fund. Will this loan still be covered by Cuna Mutual in case of death? We use the AA plan of Loan Protection Insurance.

If a loan is charged off to the reserve fund and the balance no longer shows on the monthly financial statement, the loan will not be covered. The AA plan covers only loans that your credit union pays premiums on each month.

Several members of our credit union are borrowing money at banks at a cheaper rate than they can obtain the money from the credit union. Should we reduce our rates to compete with those of the banks or make special rates to these individuals?

The purpose of the credit union is to provide loans at low rates of interest to those persons who do not have bank credit. If some of your members can obtain money from a bank at a cheaper rate the

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credit union should admit to those borrowers who have bank credit that the credit union cannot compete with the bank rates. No concessions or special rates should be made to those persons, however, the advantages of borrowing from the credit union should be sold to these people such as convenience of repayment, loans and savings accounts insured against death, return of surplus earnings to the membership in a form of a dividend, etc. The credit union should have one set rate for all members and all sizes of loans. When a credit union deviates from this policy they can immediately be accused of favoritism to certain groups. Also a credit union should closely investigate rates charged by banks to determine if their rates are lower than those charged by your credit union. Many banks who advertise low rates actually deduct \$7 per \$100 on loans, which is higher than 15% per year.

**Is a wage assignment legal when taken on a co-maker of a note when the co-maker works for a different firm than the firm which the credit union is organized within or for which the maker of the loan works.**

If the wage assignment is legally taken as a separate instrument and designates the company where the co-maker is employed and is otherwise legally drawn up, the wage assignment is legal and may be used to collect upon if necessary.

### Union Teachers Host to Central Chapter

The regular meeting of the Central Chicago Chapter was held in the Union Teachers' Credit Union office, 509 S. Wabash Ave., on Friday, May 17, 1940.

There was discussion concerning wage assignments to minors and the provisions established by various credit unions for joint accounts.

Mr. Holmes, Mr. McNeil and Mr. McKeag, National Directors from Chicago, made very interesting reports on the Annual Meeting of the Credit Union National Association. Mr. DeRamus gave a full description of the meeting of the CUNA Mutual Society.

The reports were followed by a very entertaining picture, the Middleton family at the World's Fair, a Westinghouse color sound movie; and, to complete the debauchery, very delectable refreshments were furnished by our hosts, the Union Teachers Credit Union.

The next meeting of the Central Chicago Chapter will be held in Room 1039 of the People's Gas Building on Friday, June 21, 1940 at 7:00 P.M. Come and bring your credit union friends. This will be the last meeting of the Chapter until October, 1940. —Ida Ammon, secretary.

### Shipe Speaks June 19 to West Suburbanites

Dinner was served to the 60 people present at the regular monthly meeting of the West Suburban Chapter of Credit Unions held Wednesday, May 15, at the Austin Y.M.C.A.

Mr. F. B. Bronder of the Hawthorne Credit Union gave a very interesting discussion on the forms used by the Hawthorne Credit Union.

Mr. J. O. Shipe, Educational Director of the Credit Union National Association, will be the guest speaker of our June 19 meeting. Mr. Shipe has prepared a discussion that will prove both helpful and interesting to all.

In addition to Mr. Shipe we will have a talkie on the "North Woods."

### South East Cook Co. Chapter Hears Hyland

Chas. G. Hyland of CUNA was the principal speaker at the May 24th meeting of the chapter. The meeting, which was arranged by the Acme Steel Credit Union, was voted one of the most interesting chapter meetings held to date.

Mr. Hyland urged credit unions to liberalize their lending regulations and avoid becoming too business-like in considering the needs of their fellow members. He warned that too much red tape simply resulted in driving the borrower to pay higher rates of interest rather than to submit to the excessive questioning procedure

followed by some credit unions. He emphasized that character is the best basis for credit union lending, and that the experience throughout the United States shows a loss ratio of 1/10 of 1%.

### Chicago Southwest Plans Golf Tourney

The May meeting of the Chicago Southwest Chapter followed a dinner at the Englewood "Y." We had a good attendance and were pleased to welcome among the guests, Messrs. Kingsmill, Dubois, Park and O'Rourke from the Southeast Chapter.

Following the reading of an article prepared by Mr. W. B. Kavanagh of Wilson & Company, a lively and interesting discussion on credit matters ensued, carrying on from where it left off at the April meeting.

The matter of the districting of the state by the Illinois Credit Union League, which will result in changing some boundaries of chapter areas, was brought up for discussion. It was regularly moved and carried that a committee be appointed to study the matter and report at the July meeting.

The June meeting will be dispensed with in deference to the golf tournament. Progress reports from various members of the committee indicate that the event should be a highly successful one. We extend an invitation to credit union golfers to join us on June 15 at Silver Lake North Course (formerly Euclid Hills). Tickets are available at the League office.—M. Aebischer, Secretary.

### The Most Important Phase of Credit Union Service?

President Byron E. Edwards of the Los Angeles Chapter comes through with this fine idea as to his opinion of the "most important phase":

"It is satisfaction man gets from the fulfillment on one of his deepest emotions, that of HELPING HIS FELLOW MAN."

"Credit Union members feel that they are doing this in a practical and acceptable way, and have no doubts as to the good being done."

We then jump across the continent and from the "spark-plug" of many spark-plugs of the Chapter in the area of Hamilton, Ont., Gordon Smith has this to say:

### ICH DIEN (I Serve)

One of our members recently made me feel very good, about all the work and thought, and incidentally a bit of worry, we have put into the operation of our credit union.

This member reports a different feeling towards his own financing, and his own life, since the advent of credit unionism in our midst.

He tells me, he thought nothing about going out "of an evening" with the boys, at a cost of maybe four or five hard earned dollars, plus a large head the next morning.

Now, things are different. He admits the presence of a small urge to go out as

# NEWS FROM CANADA

BY GORDON SMITH

News from Canada is not only limited but is late in coming through. What with our members' interest in war savings plans and what not, along with the formation of home defense companies, every one in this country is more than busy.

These activities do not in any way hamper the activities of our many credit unions. In fact, save for a few days, when news from the war zones was real bad, our loan business has carried on as usual. Every month, our own credit union has been able to surpass last year's record for the same month.

Savings have been increasing rapidly, the City Hall Employees, of Hamilton, report passing the \$50,000.00 mark in assets for the first time. This in less than five years is progress.

If any persons in the credit union field are interested in the operation of a chapter, I would suggest they contact Mr. W. B. Mowle, 31 Valleyview Gardens, Toronto 9 Ontario. This spark plug is president of the Toronto Chapter. And from all reports is doing a real job. Nothing is overlooked in the carrying on of this important part of credit union activities.

We had a visit from Earl Rentfro recently, coupled with a visit to the Annual

meeting at Madison, it has been almost more than the writer can stand. I have been bitten so badly by Cuna in the past year I do not expect (nor hope) to recover. It is a great feeling of satisfaction to know that we are a part of the Cuna family. The lack of national as well as international cooperation is one of the reasons why we find ourselves at war. There is an example for the world to consider on this continent. And, the inclusion of Canada in the National Association of Credit Unions is a further step towards that golden age when all men will live as one.

Ontario is in the throes of incorporating all credit unions, and we are sure having fun. A number have been operating for some years without benefit of charter. It is a ticklish problem to transfer the assets and liabilities of the unincorporated unions to the new companies. But, all will work out in the end mainly because of the complete cooperation of the Department of Agriculture at Toronto.

Quebec reports renewed interest and much activity especially around Montreal. The province is the home of the first credit union on the American continent at Levis.

before, but consideration of the cost makes him think how much sooner he would have his loan paid off. Or how much quicker those shares would be paid for.

The point is he has started to think; and, in my opinion, this is the most important step in life.

*If we can start our members to thinking along the right lines we have sur-*

*mounted the first obstacle between ourselves and economic betterment. This is the greatest service we can render.*

### Airways Credit Union Spans Oceans

(Continued from page 155)

As a result of the cooperative efforts and combined interest of the Board and committeemen credit union assets have increased 108%, with a 40% increase in membership for the year ended December 1939. Loans amounting to \$25,195.61 were made during 1939 and a definite trend of continued growth is indicated by the ever increasing loan demand and savings activity among employees. For the first three months in 1940 the credit union assets have increased at approximately \$4,000.00 per month, which indicates a possible 100% growth for 1940. With probable expansion of the Pacific Division of the Pan American Airways, a potential membership of 1,000 members is estimated.

Thus, it is possible, in these modern times to accomplish such a remarkable credit union service for members located in the far corners of the world, with the facilities of present day transoceanic air transportation and foreign air mail service.

### With Both Feet

"Can you type?"  
"Yes, I use the Columbus system."  
"What's that?"  
"I discover a key, then land on it."

### Bed Time Story

New Bookkeeper to Steno: "Do you retire a loan?"  
Steno: "No, I sleep with mamma."

### BECAUSE I HAD A FRIEND

Life never would have been so rich,  
To me so well worth while;  
But for that cheering word you spoke,  
But for that cheery smile;  
The burden had so heavy grown,  
My heart was filled with care;  
I never would have reached the goal,  
Had you, friend, not been there.

Because, because I had a friend,  
One who was real and true;  
Because your friendship did not fail  
Just when I needed you,  
I had the strength to clamber on;  
I had the will to do;  
Because I knew I had a friend,  
I've had no cause to rue.

Oh, there are records of the past  
That tell of trust sublime;  
Of friendships that survived the test  
Of doubt, disaster, time;  
But I know one that's up to date,  
That had not had an end  
When a man defeated fought and won  
Because he had a friend.

—Flora B. Walker.



## Experience with a Loan Company

—In Sept. Thrift-O-Gram

HE DID NOT get his pound of flesh, but then Shylock lived in Venice, not in Missouri, where the profits of the automobile finance companies would have made him blush for shame—or envy.

... since the law permits a service charge of \$20 on an automobile loan, they can mulct the public of 400 per cent on a \$5 loan, charge interest and still recover the principal.

Early in February, I received a cordial letter from one of the finance companies in the downtown section, informing me that I was on their preferred credit list, and enclosing an introductory card which entitled me to special consideration. I got it, and how! ...

I put my car in hock for \$10 the next week, and then began my education. To obtain the loan of \$10 I had to sign a note for \$14.90, leaving them with the neat return of 49 per cent for a seven-week period.

Nor was this all. In March, after making two payments on the first note, I borrowed an additional \$5. To obtain this loan, I signed another note for \$22.50 to pay off the balance of \$11.40 still due on the first note and to cover the new loan of \$5. This gave them a difference of \$11.10 and a profit of \$6.10 for increasing the loan from \$10 to \$15, or well over 120 per cent profit on the new note.

However, I'm still not out of the woods. Although I hold receipts for \$21.50, I still owe two more payments of \$2, which will make a grand total of \$25.50 I must pay to make a \$15 loan, which gives them close to 80 per cent profit on the entire transaction. ...

IMA CHUMP.

(From a letter in the Post-Dispatch)

## ONLY A DOG

From the famous speech of Senator George Vest of Missouri in the course of the trial of a man who had wantonly shot a dog belonging to a neighbor. Vest represented the plaintiff who demanded \$200 damages. When Vest finished speaking, the jury, after two minutes deliberation, awarded the plaintiff \$500. The full text of the speech follows:

### GENTLEMEN OF THE JURY:

The best friend a man has in the world may turn against him and become his enemy. His son or daughter that he has reared with loving care may prove ungrateful. Those who are nearest and dearest to us, those whom we trust with our happiness and our good name, may become traitors to their faith. The money that a man has he may lose. It flies away from him, perhaps in a moment of ill-considered action. The people who are prone to fall on their knees to do us honor when success is with us may be the first to throw the stone of malice when failure settles its cloud upon our heads. The one absolutely unselfish friend that man can have in this selfish

## MY HOUSE

If ever you come to my house  
(As you are passing near),  
You will find a box outside the door,  
Leave there your hate and fear.  
Put in your cynical wisdom,  
Your cunning and your guile,  
You may come in with grief or sin,  
Or with an honest smile.

If ever you enter my house  
(Don't pass, but step inside),  
You will find a hook behind the door,  
Hang there your cloak of pride  
And your mantle of self-righteousness,  
You will not need them here,  
For the heart is warm against the storm  
And aglow with friendly cheer.

Take off the mask of your pretense  
And put it on the shelf,  
And, good or bad, or merry or sad,  
Be your genuine self.  
You need not feign a ghastly mirth,  
If you have cause to weep,  
Or hide your shame, or tell your name,  
Or talk if you would sleep.

And when you go from my house,  
(Yours as much as mine),  
Where all is frank and friendly  
And nothing grand or fine,  
After an hour's rare luxury  
Of being your simple self,  
You will leave your pride, forgot, inside,  
And your mask upon the shelf.

world, the one that never deserts him, the one that never proves ungrateful or treacherous, is his dog.

Gentlemen of the jury, a man's dog stands by him in prosperity and poverty, in health and in sickness. He will sleep on the cold ground, where the wintry winds blow and the snow drives fiercely, if only he be near his master's side. He will kiss the hand that has no food to offer; he will lick the wounds and sores that come in encounter with the roughness of the world. He guards the sleep of his pauper master as if he were a prince. When all other friends desert he remains. When riches take wings and reputation falls to pieces he is as constant in his love as the sun in its journey through the heavens. If fortune drives the master forth an outcast in the world, friendless and homeless, the faithful dog asks no higher privilege than that of accompanying him, to guard against the danger, to fight against his enemies, and when the last scene of all comes, and death takes the master in its embrace and his body is laid away in the cold ground, no matter if all other friends pursue their way, there by his graveside will the noble dog be found, his head between his paws, his eyes sad, but open in alert watchfulness, faithful and true, even in death.

\* \* \*

An Italian was being examined in the naturalization court. "Could you become President of the United States?" he was asked.

"No," replied the Italian.

"Why not?"

"You please excuse," begged the applicant, "I verra busy just now sella de ice cream."

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# THE BRIDGE

is the Mouthpiece of the Credit Union Movement in North America. In these troublesome days, it is, perhaps, one of the most constructive publications in the world; it continually reiterates the principles and ideals upon which the credit union movement was founded. Tolerance, faith, democracy and service to our fellowman are the motivating influences of this great movement. The Credit Union Movement is an inspired movement.

If your credit union is to achieve the great purpose for which it was designed, your board of directors need the help and inspiration of The Bridge. An informed and inspired board will be reflected in a greater and more intelligent service to the membership.

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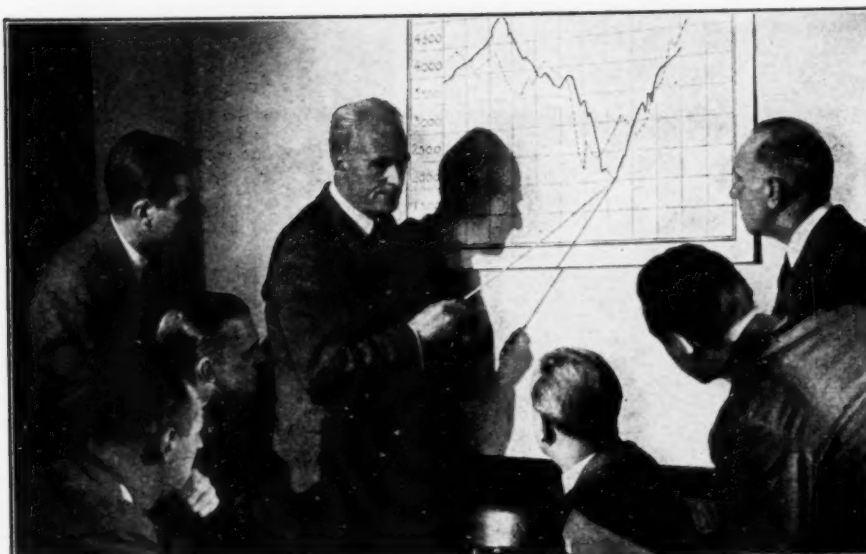
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# Study Your Leaders —Know What They Know!

**I**F you merely admire and envy the executive ability of leaders in business, finance, and industry, you will never be endowed with their capacity, or be able to duplicate their success.

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A leader in business has a thorough grasp of the principles which underlie all successful businesses. If you could sit unseen, at his conference table, during the planning of an advertising campaign, you would see that he is guided by a broad understanding of the laws of distribution, supply and demand, the psychology of selling. Advertising to him is not a daring gamble—it is a powerful, measurable force.

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Big men founded the Institute and big business leaders are contributing to the course. Among the contributors are such executives as Alfred P. Sloan, Jr., *Chairman of the Board*, General Motors Corporation; Colby M. Chester, Jr., *Chairman of the Board*, General Foods Corporation; Thomas J. Watson, *President*, International Business Machines Corporation; Edward R. Stettinius, Jr., *Chairman of the Board*, United States Steel Corporation; Major B. Foster, *Chairman*, Department of Banking and Finance, New York University, and many others.

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